STATEWIDE MANAGEMENT, ACCOUNTING AND REPORTING TOOL

Participant Guide – AP311: Voucher Processing

State of Kansas

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Course Overview

Course Objectives

Upon completion of the course, participants are able to:

- Define basic voucher terms
- Describe the voucher process in SMART, including the impacts to other modules
- Create a voucher without a purchase order
- Create a voucher with a purchase order
- Create a journal voucher
- Create a reversal voucher
- Manage vouchers
- Monitor control groups

Agenda

Today, we will cover the following topics:

- Understanding Vouchers
- Creating a Voucher without a Purchase Order
- Creating a Voucher with a Purchase Order
- Creating a Journal Voucher
- Creating a Reversal Voucher
- Managing Vouchers
- Monitoring Control Groups

Participant Notes:

Lesson 1: Understanding Vouchers

Objectives

Upon completion of this lesson, participants are able to:

- Describe the five distinct levels in Accounts Payable where controls are set
- Define basic voucher processing terms
- List the types of vouchers that can be entered into SMART
- Explain when to use each type of voucher that can be entered into SMART
- Describe the changes in voucher processing from the existing State of Kansas voucher processing to voucher processing in SMART
- Describe the end-to-end process for voucher processing, including the lifecycle of a voucher
- Explain how voucher processing fits into the overall Accounts Payable process in SMART
- List the roles involved in the Voucher process and describe tasks performed by each role

Key Terms

- **Business Unit** – The SMART field that defines each agency of the State
- **Control Group** – A means of grouping vouchers for entry and processing
- **Invoice** – An itemized bill for goods sold or services provided, containing individual prices, the total charge, and the terms

Participant Notes:

- **Origin** – Indicates the manner in which a transaction was loaded to SMART (i.e., online or batch). May also be defined at agency, organizational structure and/or user levels
- **Vendor** – Any person or company from whom the State of Kansas purchases goods or services, including state agencies, sub-recipients, and sub-grantees
- **Matching** – An automated process of comparing values found in three different business documents – voucher, purchase order, and receipt – prior to approving a voucher for payment. This process provides assurance that the products listed on a vendor invoice were requested and received at the appropriate price and in the appropriate quantity.
- **Budget Checking** – The process of comparing expenditure or revenue transactions against a defined budget

Topic 1: Understanding the Accounts Payable Control Hierarchy

In SMART Accounts Payable, business units sit on top of a control structure that facilitates both voucher entry and payment processing. Default values entered at the business unit level default to the transaction level; unless you override the defaults with values stored at an intermediate level, such as voucher origin, control group, or vendor.

The control levels below the business unit provide the following options:

- Default – Allows you to select the default that was set at the next higher level
- Specify – Allows you to specify a different value

Participant Notes:

This control structure is also called a **hierarchy**. The following diagram shows the hierarchy for SMART Accounts Payable**:**

Figure 1. Accounts Payable Hierarchy

- The SMART Accounts Payable hierarchy is composed of five levels:
  - **Business Unit** – The business unit is the highest level of the hierarchy. For the State of Kansas, it represents an agency. The majority of defaults for fields on transactions in Accounts Payable are set at this level. These defaults reduce the amount of data entry and reduce potential errors.
  - **Origin** – Another level of defaults can be set up at the origin. Each transaction that is entered into SMART must have a valid origin (online or batch).
  - **Control Group** – A means of grouping vouchers in order to maintain control over them
  - **Vendor** – The persons or companies from whom the State of Kansas buys or contracts products and services are called vendors
  - **Voucher** – SMART Vouchers are the electronic equivalent of vendor invoices. They are the means of paying for goods and services. Vouchers can be entered either manually or through an Electronic Data Interchange (EDI).

Participant Notes:

- The hierarchy increases the ease of data entry and enables defaults to be set up in the system. Default values entered at the business unit level appear automatically at the voucher level, unless you override the defaults with values stored at an intermediate level (namely, the voucher origin, control group, or vendor level). This hierarchy provides increased flexibility and control to fit unique business needs. For example, instead of requiring an Accounts Payable user to enter the same default values repeatedly on vouchers, the system uses the control hierarchy to enter the predetermined values automatically. Then the user can override these values on the voucher.
- When default values are entered the system will validate the information, then validates it again at voucher save. It verifies that the correct values are being used.

Topic 2: Voucher Key Terms and Concepts

- **Voucher**
  - Vouchers are the bottom level of the hierarchy. Vouchers are unpaid invoices or adjustments entered into the system from voucher origins such as online, batch transaction, and interunit billing.
  - Each voucher is assigned a unique identifier. This identifier (called **Voucher ID**) provides a means for tracking all invoices in SMART.
  - Vouchers tie together vendor, invoice date, invoice amount, line items, distribution (accounting information), and purchase orders / receivers for an individual vendor invoice
- **Invoice** – An invoice is an itemized bill for goods sold or services provided, containing individual prices, the total charge, and the terms of the vendor
- **Payments (checks)** – Payments are issued to a vendor to pay for a voucher

Participant Notes:

The following is a table of payment terms for the State of Kansas and an explanation of when they are used:

Payment Term	When Used
00	Payment is due immediately
Net 7	Payment is due 7 days from the date of the invoice
Net 10	Payment is due 10 days from the date of the invoice
Net 15	Payment is due 15 days from the date of the invoice
Net 30	Payment is due 30 days from the date of the invoice
Net 45	Payment is due 45 days from the date of the invoice
5M	Payment is due on the 5th of this month
10M	Payment is due on the 10th of this month
14M	Payment is due on the 14th of this month
15M	Payment is due on the 15th of this month
20M	Payment is due on the 20th of this month
25M	Payment is due on the 25th of this month
26M	Payment is due on the 26th of this month
30M	Payment is due on the 30th of this month
EM	Payment is due at the end of this month
1M1	Payment is due the first of next month
7M1	Payment is due the 7th of next month
EM1	Payment is due at the end of next month

Table 1. State of Kansas Payment Terms

- **Voucher Styles** – Voucher styles are types of vouchers. When you enter specific voucher styles, you use the same pages as regular vouchers, with some different secondary pages, fields, field values, and processing. The State of Kansas will use the following voucher styles:

Participant Notes:

Voucher Style	When Used
Regular	Used for entering vouchers that are purchase orders and non-purchase order related vouchers. This is the default setting in SMART.
Journal	Used for correcting accounting entries on a posted or paid voucher
Adjustment	Used for entering a credit or debit memo, or for relating one voucher to another voucher
Template	Used for creating a template for generating regular vouchers with similar information
Reversal	Used to undo a transaction, including back out incorrect vouchers, restore the encumbrance for actuals and budgets, and reduce the purchase order's matched quantity or amount
Single Payment	Used for entering a voucher without having to record the vendor information in the vendor table

Table 2. SMART Voucher Styles

A voucher is made up of three sections:

Voucher Section	Information Included
Header	**Business Unit, Voucher ID, Voucher Style, Invoice Number**, and **Invoice Date**
Line	**Distribute By, Item, Description, Quantity, UOM, Unit Price, Extended Amount, Ship To**, and **SpeedChart**
Distribution	**Amount, Account, Quantity, GL Unit, Department, Fund, Budget Unit, Program**, **Budget Date, Agency Use, and Service Location.** **PC Business Unit, Project**, and **Activity** are required PC ChartFields for grant/project-related transactions. Agencies may optionally choose to use **Source Type, Category**, and **SubCategory**. Agencies using **Source Type, Category**, and **SubCategory** will determine which of these PC ChartFields are optional or required.

Table 3. Voucher Sections

Participant Notes:

- Changes to the Voucher Process
  - In SMART, matching for vouchers against purchase orders or from a receiver is automated. Prior to SMART, matching was a manual process
  - In SMART, workflow is automated for voucher processing. Prior to SMART, many agencies used manual workflow or had no workflow process established.
  - Currently, agencies are able to "shut down" particular funds or accounts. In SMART, budgets are effective dated so agencies must stop encumbrances or payments against a Budget ChartField. In this case, items that have already been budget checked will pass through the system for payment.

Topic 3: Understanding the Voucher Process and Roles

- After you have set up all your control information, established your Accounts Payable control hierarchy, and entered approved vendors in the system, you are ready to enter vouchers into the system.
- This lesson discusses one method of entering vouchers into the system: using the online Voucher component. The pages in this component are the equivalent of electronic voucher forms on which you can record invoice information from your vendors into SMART.

Participant Notes:

End-To-End Voucher Process: The following two diagrams represent the routes a voucher can follow in the End-To-End Voucher Process.

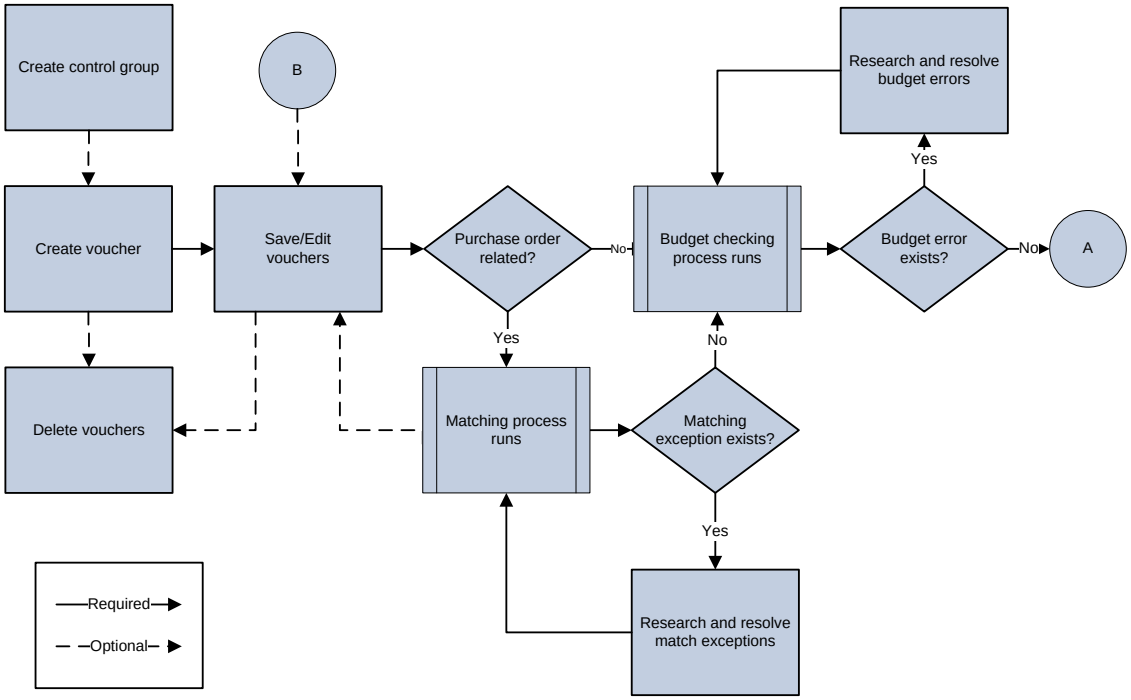

Figure 2. End-to-End Voucher Process part 1

Participant Notes:

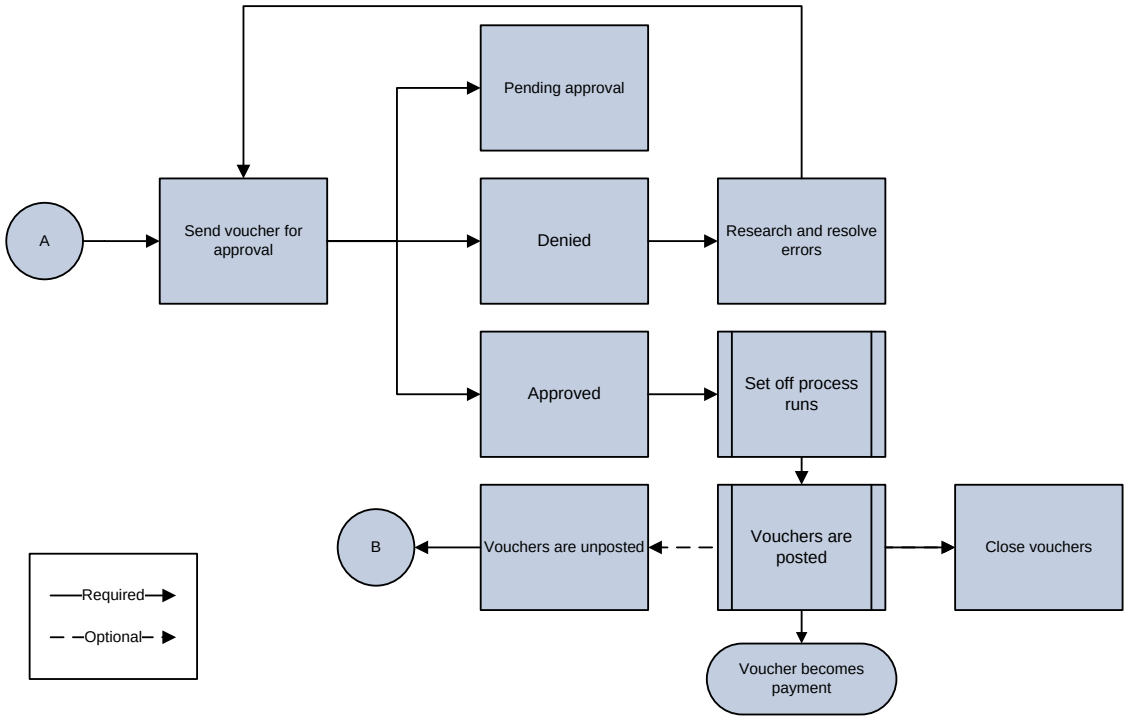

Figure 3. End-to-End Voucher Process part 2

The Voucher Life Cycle

As vouchers are entered into the system, they will be assigned different statuses. When a voucher is first entered into the system, it has an entry status of *open*. When the voucher is saved for the first time, the system validates information entered by the user with information defaulted from the control hierarchy to ensure correct entries. If the voucher passes all validations, it goes into a postable state.

When a voucher is posted in SMART, the system creates balanced accounting entries to record your liability and sets the post status to *posted*. When a voucher is in a posted

Participant Notes:

state, users can make only limited changes to it. They can change only descriptive information that does not affect the numbers on the voucher. To change the numbers or ChartFields on a posted voucher, users must first unpost the voucher to create reversing entries. This action puts the voucher back into a *postable* state, as if it had never been posted. Users can then change the necessary fields.

The following table shows the various statuses a voucher can have:

Status	While Processing	After Saving
Entry Status	Open	Recycle, Rejected, or Postable
Match Status (Vouchers with PO/Receivers)	To Be Matched	Matched, Rejected, or Manually Overridden
Approval Status	To Be Approved	Pending Approval, Approved, or Denied
No Match (Direct Pay Vouchers)		**Note: D**irect Pay Vouchers will have a status of No Match
Budget Status	Not Checked	Valid, Error or Warning
Post Status	Postable	Not Posted or Posted
Payment Status	Not Selected	Selected for Payment or Paid

Table 4. Voucher Statuses

Agency Roles
Roles exist between your user ID and permission lists. They are the security that allows you to see the SMART pages necessary to do your job. Many roles can be assigned to a user ID, i.e. the Accounts Payable Processor role can be assigned to many user ID's.

Participant Notes:

Role	Description
Accounts Payable Processor	This role is responsible for entering vouchers, searching for vendors, deleting vouchers, correcting voucher errors, creating manual payments, running the matching process, and viewing vendor information
Accounts Payable Supervisor	This role is responsible for understanding the tasks of the Accounts Payable Processor role, as well as unposting vouchers, marking a voucher for closure, and posting vouchers
Accounts Payable Maintainer	This role is responsible for maintaining vouchers, setup, and maintenance of control groups, updating vouchering options in control groups, deleting control groups, monitoring the matching and budget checking errors, posting vouchers, and generating journals. This role will also run match/error reports, check budget error reports, and maintain tables.
AP Interfund Processor	This role will be responsible for entering and updating Interfund vouchers, correcting Interfund voucher errors, and managing Interfund comments. This role will also delete the voucher associated with an Interfund transaction, as needed, but not the Interfund transaction record.
AP Interfund Approver	This role will be responsible for approving Interfund vouchers. This role will also delete Interfund transaction records, as needed, after the corresponding transactions (deposit and voucher) have been deleted.

Table 5. Agency Accounts Payable Roles

Topic 4: Matching

- **Three way matching** – Three way matching refers to the process of comparing values found in three different business documents – voucher, purchase order, and receipt – prior to approving a voucher for payment. This process provides assurance that the products listed on a vendor invoice were requested and received at the appropriate price and in the appropriate quantity. The components of three way matching include:

Participant Notes:

  - Goods are ordered via purchasing. The purchase order identifies the price and quantity of the goods ordered. When the goods are shipped, the quantity received is entered into SMART by the receivers.
  - When the invoice is received, a voucher is created and matched to the purchase order and receiving documents
- Potential errors:
  - No Receipts Found
  - Voucher item not = PO item
  - Voucher item not = receiver item
  - Line total distribution voucher amount greater than PO amount with PO amount tolerance
  - Line price not = PO price with PO price amount tolerance
- Fixing Errors – To fix a matching error, navigate to the **Voucher Summary Page**. The **Exceptions** link will be highlighted next to the **Match Status**. Click on this link and it will take you to the place in the voucher where there is an error. Correct the error based on the information in the link and then save the voucher. Matching will then have to be run again to pick up the correction and make the voucher available for budget checking and subsequent payment.

Topic 5: Budget Checking

- Budget Checks – Budget checking will be done primarily in batch mode at pre-established time intervals during each day. However, this batch process can be run in an on-demand basis by the Accounts Payable Supervisor role.
- Potential errors:
  - No budget exists
  - Insufficient funds
- Fixing Errors – To fix a budget checking error, navigate to the **Voucher Summary Page**. There is an **Errors** link next to the **Budget Status**. Click on this link and it will take you to the place in the voucher that is in error. Correct the

Participant Notes:

error and save the voucher. Budget Checking will then need to be run again to pick up the correction.

Lesson Review

In this lesson, you learned how to:

- Discuss the five levels of the Accounts Payable hierarchy and how the hierarchy is used for SMART
- Explain key terms, such as voucher, invoice, payments (checks), and payments terms
- Explain the types of vouchers used in SMART and when to use each type of voucher
- Explain key changes in voucher processing from existing State of Kansas processes to processes in SMART
- Discuss the end-to-end process for voucher processing in SMART
- Explain how voucher processing roles are involved in tasks throughout the Voucher Process

Participant Notes:

Lesson 2: Create a Voucher without a Purchase Order

Objectives

Upon completion of this lesson, you will be able to:

- Describe the process for creating a voucher without a purchase order in SMART
- Explain when a non-purchase order voucher is used
- List the types of materials and resources that are required to enter a non-purchase order voucher
- List various scenarios for when a voucher might be entered without a purchase order
- List ChartFields required for entering a voucher
- Create a non-purchase order voucher in SMART

The following is a review of the key ChartField information in the web-based training course GN101: Introduction to SMART.

Key Terms

- **Account** – The ChartField that defines the purpose of the transaction and specifies the balance sheet target or operating target (expenditure or revenue object codes) on financial transactions
- **Budget Unit** – Identifies the appropriation and financial control structure
- **ChartField** – Provides the basic structure to segregate and categorize transactional and budget data

Participant Notes:

- **Department** – The ChartField that defines in detail the agency organization structure, especially for tracking and reporting. The State uses this ChartField to capture the State and agency organization chart.
- **Fund** – The ChartField that defines fiscal and accounting entity with a self-balancing set of accounts. Records cash and other financial resources, together with related liabilities and residual equities or balances, and any corresponding changes.
- **Item** – A good or service purchased by the State of Kansas
- **Location** – Used to capture the concept of location (state, county, city, district, building, etc.). This will allow the State to track spending in relation to a geographic designation.
- **Location code** – The ChartField that enables you to indicate the different types of addresses for a company, for example, one address to receive bills, another for shipping, a thi**rd for postal** deliveries, and a separate street address. Each address has a different location number.
- **Program** - The ChartField that captures the cost of providing a specific good or service in response to an identified social or individual need or problem
- **Project** – An organized endeavor for which costs are incurred that has a defined beginning and ending purpose for which costs need to be accumulated and reported
- **Project ID**– The ChartField that tracks grant and project financial activity, which can cross budget years, funds, and departments. It is the gateway to the project costing module functionality.

Participant Notes:

Topic 1: Create a Voucher without a Purchase Order Process

The following two diagrams show the business process flow for a non-purchase order voucher:

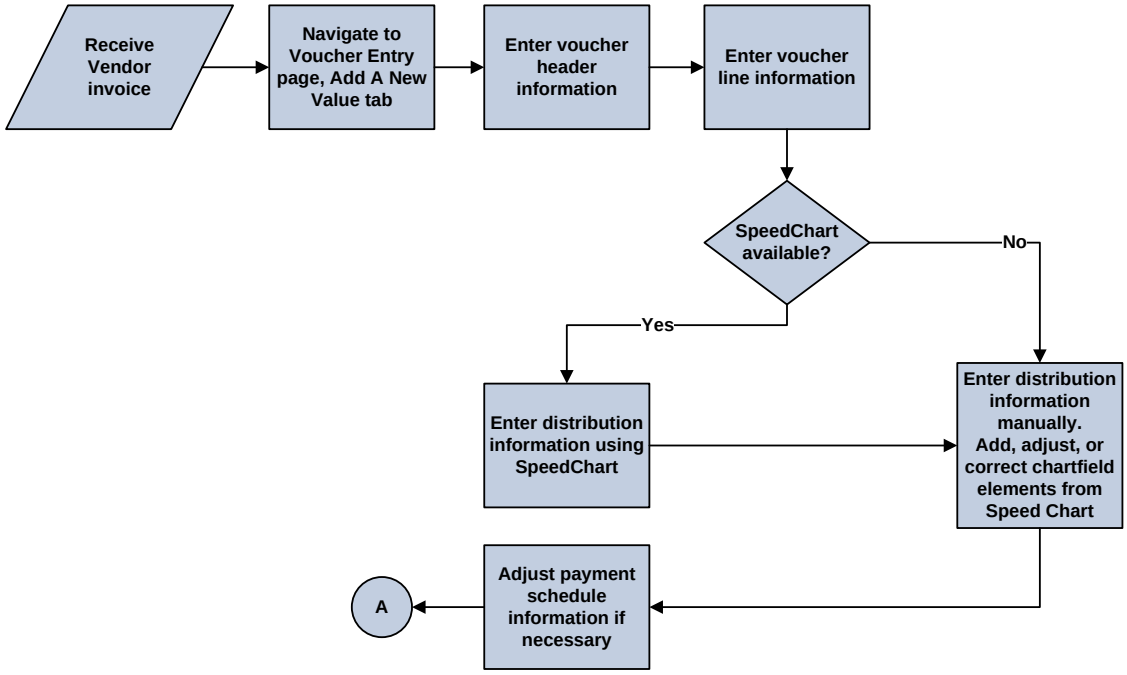

Figure 4. Non-Purchase Order Business Process Flow part 1

Participant Notes:

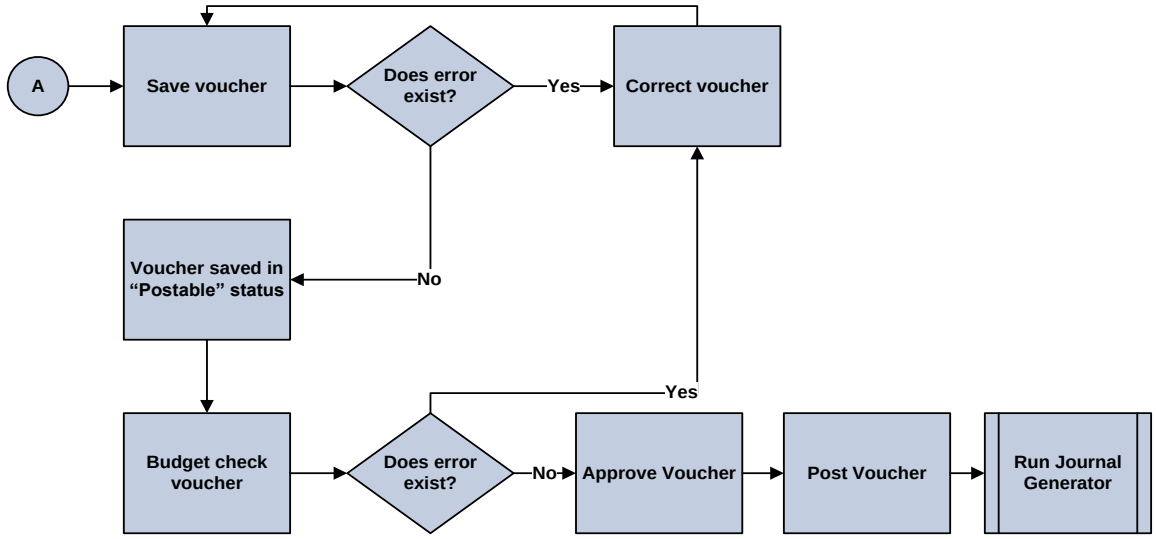

Figure 5. Non-Purchase Order Business Process Flow part 2

Scenarios when a voucher might be created for a voucher without a purchase order:

- You are creating a voucher for a vendor who does not have a purchase order
- You are creating an adjustment to a voucher
- You are reversing a voucher

To enter a voucher, use the **Voucher Search** page to choose which style of voucher you are creating and to begin entering data. The voucher style that you select here determines how the system displays, edits, and processes the voucher.

Entering the estimated number of lines in the **Estimated No. of Invoice Lines** field enables you to enter lines on the Invoice Information page without repeatedly having to click the **Add** button in the Invoice Lines scroll area. Any lines that you leave blank are automatically deleted when you save.

Participant Notes:

When entering a new voucher, you can use the fields on the add search page for the component to prepopulate the new voucher and reduce the amount of prompting and editing that you need to do on the new voucher. The only required fields on this page are **Business Unit, Voucher Style,** and **Voucher ID**. You can enter the remaining fields in the following pages of the voucher component.

Participant Notes:

Page name	Navigation
Voucher search	Accounts Payable>Vouchers>Add/Update>Regular Entry> Voucher search

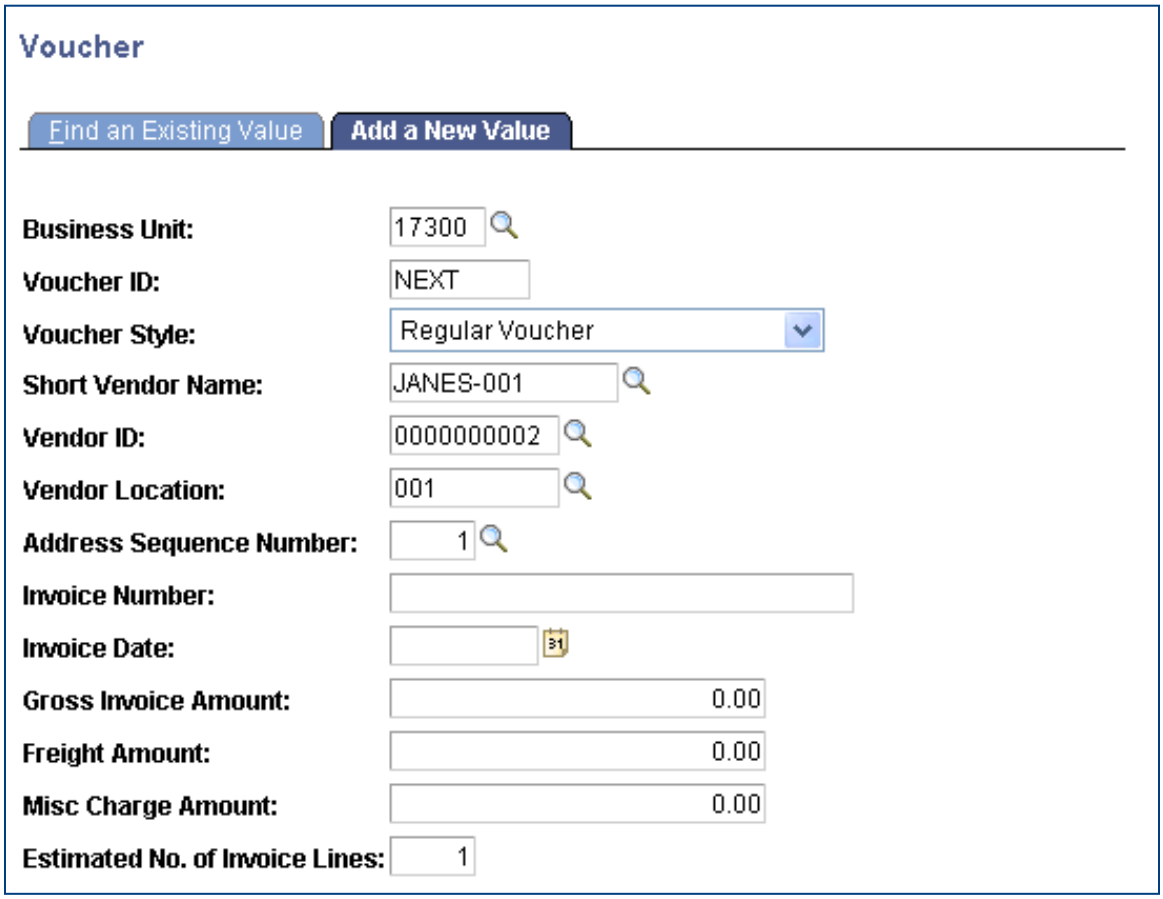

Figure 6. Voucher Add a New Value Page

Participant Notes:

Field	Description
Business Unit	A business unit will automatically default onto the voucher based on how your user ID has been set up in SMART. The business unit is a 5-character field. The first three characters represent your agency number and the last two characters are usually zeros; i.e. Business Unit 17600.
Voucher ID	A voucher ID is a unique identifier assigned by SMART upon saving a voucher. It is 8 characters in length
Voucher Style	Voucher style is a type of voucher. Each style has various unique fields that support different voucher actions.
Vendor ID	A vendor ID is a unique number assigned by SMART upon saving a vendor. It is 10 characters in length.
Vendor Address Sequence number	A vendor can have many addresses to be used by SMART. Addresses could represent remitting, invoicing, shipping, and purchasing, or any address specific to how a vendor does business.
Invoice Number	The invoice number is a 30-character free-form field used to enter the invoice number reflected on the vendor's invoice. This number will print on the check stub and be transmitted in the payment file if paid via ACH.
Invoice Date	The invoice date is the date on the vendor's invoice
Gross Invoice Amount	The gross invoice amount is the amount of the invoice including freight or miscellaneous charges.
Estimated Number of Invoice Lines	The estimated number of invoice lines is an easy way to set up a voucher for data entry. It eliminates having to add a row at a time for the lines on a voucher.

Table 6. Voucher Add a New Value Page Elements

Participant Notes:

The voucher component has three pages or tabs. The first tab is **Invoice Information**. This page is used to enter invoice header information, voucher line information, and distribution information.

Page name	Navigation
Regular Entry – Invoice Information	Accounts Payable>Vouchers>Add/Update>Regular Entry>Voucher Search

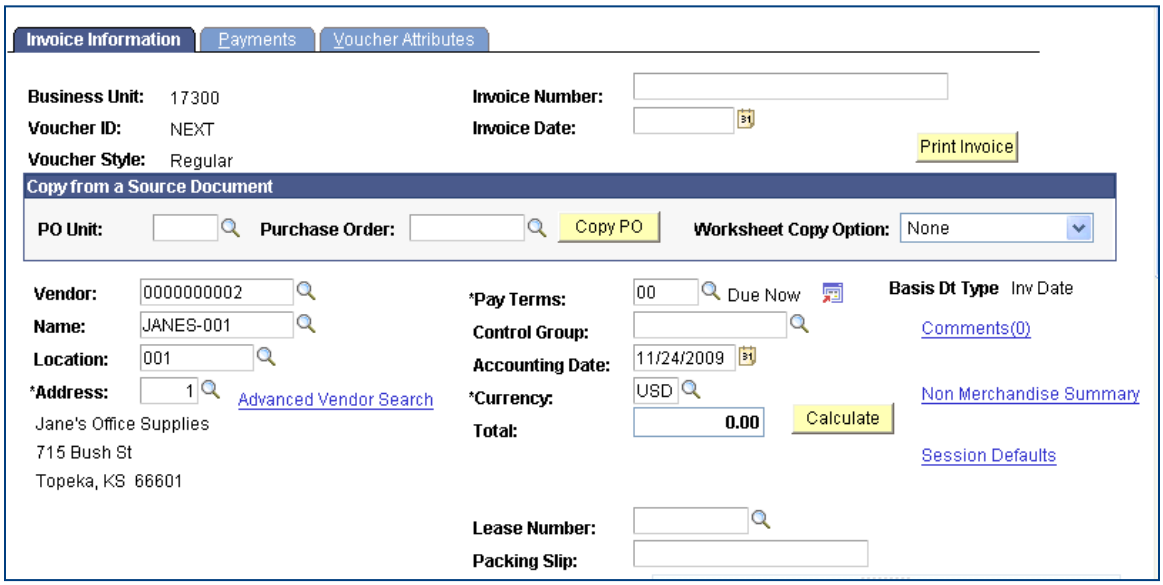

Figure 7. Invoice Information Top of Page

Participant Notes:

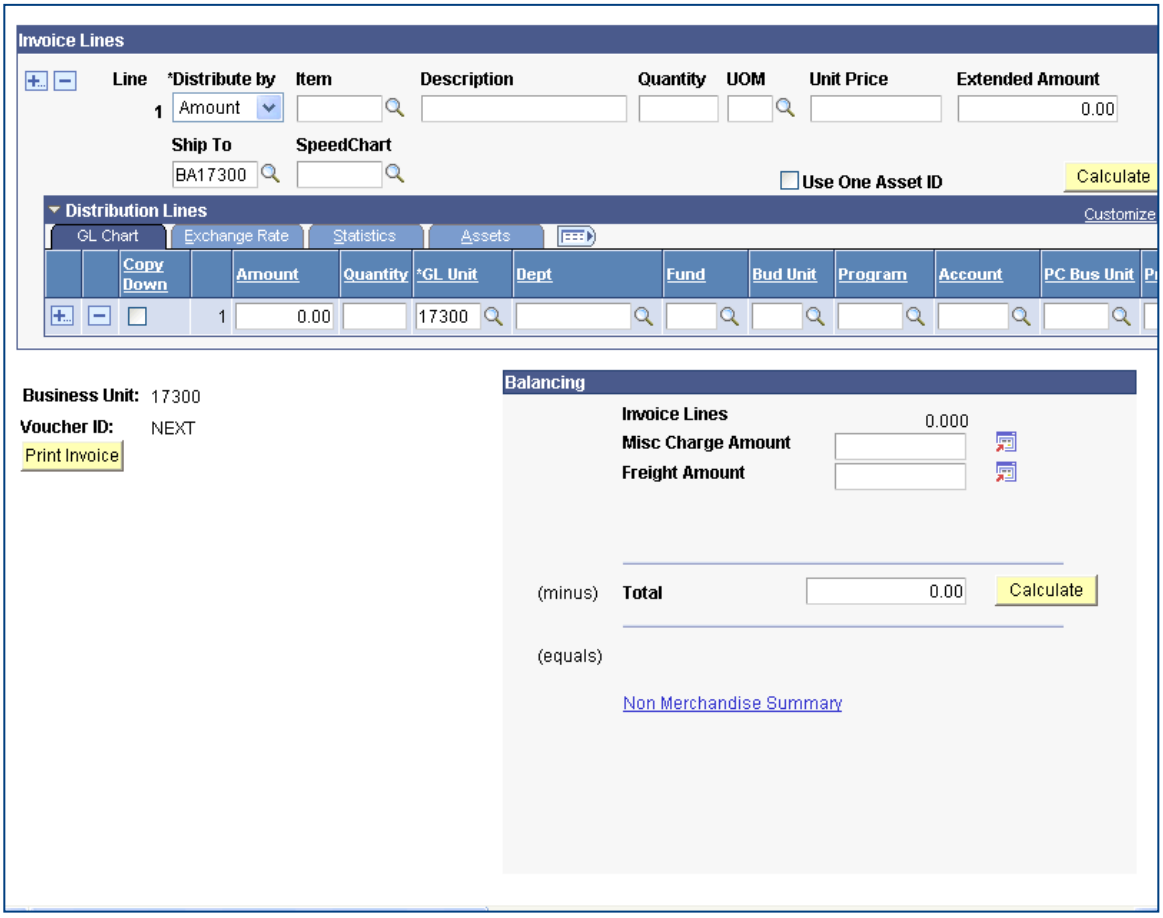

Figure 8. Invoice Information Bottom of Page

Participant Notes:

Field	Description
Vendor Address Sequence number	The **Vendor Address Sequence** field is a field critical to payment processing. The sequence matches to a particular address. This field determines where the vendor's check is sent.
Pay Terms	The pay terms are based on the vendor's requirement for payment. The State of Kansas normally uses the pay term of "immediate."
Comments	The **Comments** field is a place to put comments for a voucher. These comments are internal and will not be seen by the vendor. The maximum length is 234 characters.

Table 7. Invoice Information Page Elements

The second page or tab of the voucher component is the **Payments** tab. Use this page to change the payment schedule, record a manual payment, or create an express payment.

Participant Notes:

Page name	Navigation
Regular Entry – Payments	Accounts Payable>Vouchers>Add/Update>Regular Entry>Payments

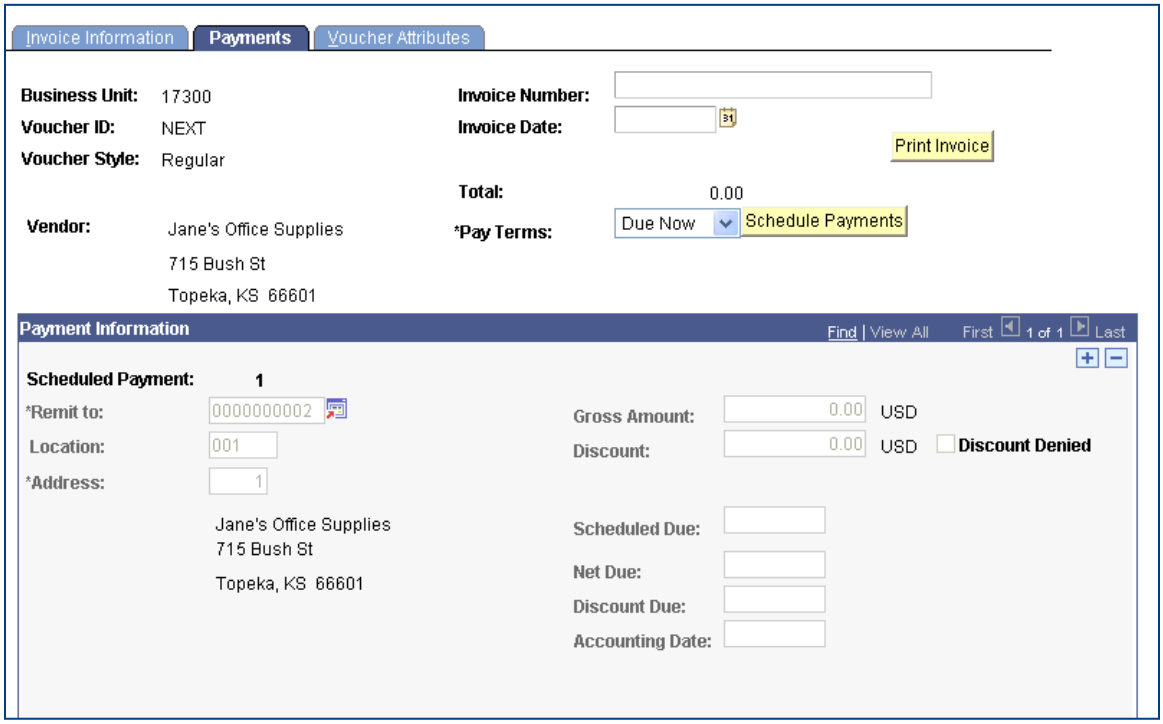

Figure 9. Payments Top of Page

Participant Notes:

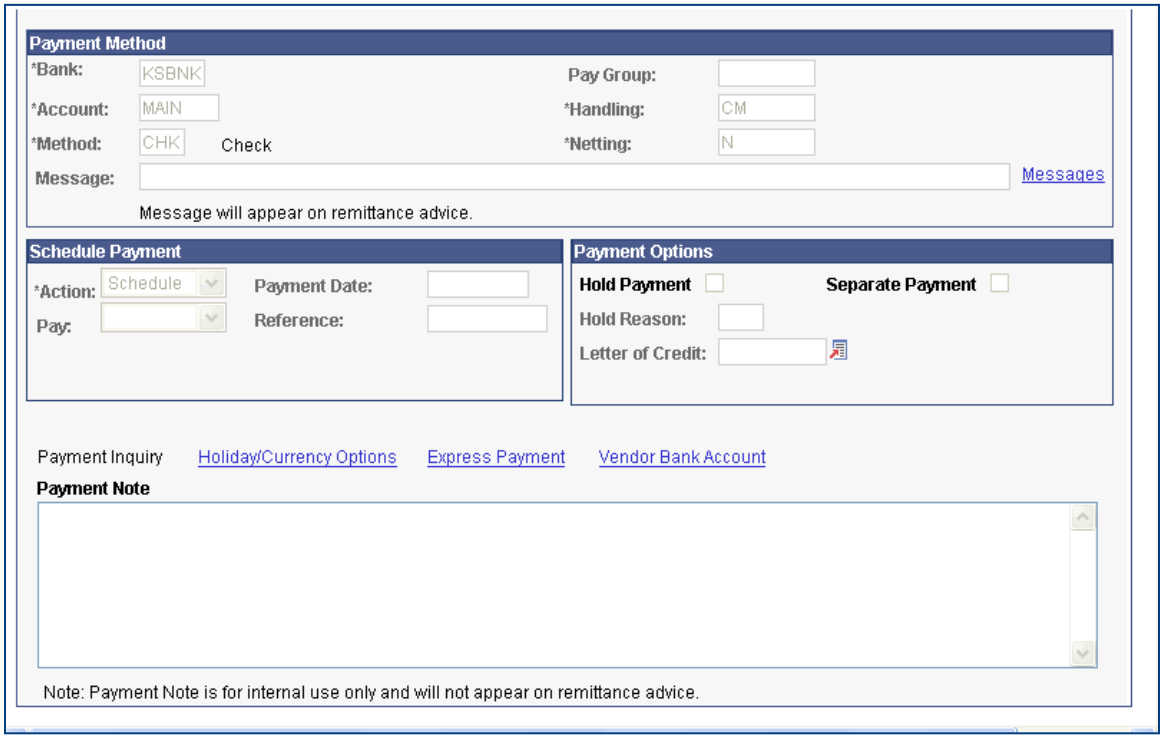

Figure 10. Payments Bottom of Page

Field	Description
Address	The address of the vendor is where the payment will be sent
Pay terms	The pay terms are based on the vendor's requirement for payment. The State of Kansas normally uses the pay term of "immediate." The vendor may have a different pay term; i.e. due in 30 days. The State will not configure discounted terms.

Participant Notes:

Field	Description
Remit to Vendor	Remit to vendor is the vendor that will be paid. Usually the same as the voucher header vendor. (Example, you need to remit payment to a bankruptcy court on behalf of a vendor. The vendor who provided the goods or service will be the header vendor; the bankruptcy court will be the remit to vendor.)
Remit to vendor location	The remit to vendor location contains the particular rules this vendor uses to do business with the State of Kansas
Remit to vendor Address sequence number	The remit to vendor address sequence corresponds to a vendor address where the payment will be sent
Bank	This is the State of Kansas bank from which the payment will be made
Bank Account	The bank account is the State of Kansas bank account from which the payment will be made
Handling	Handling code is used to determine the order checks are printed. It facilitates routing; i.e. a group could be routed to central mail, another group could be returned to the agency while another is routed to a separate
Payment Methods	The State of Kansas will be paying by check or ACH (Automated Clearinghouse)
Message	A message typed in this section will appear on the Remittance Advice that is sent to the vendor

Participant Notes:

Field	Description
Payment Options	There are three payment options: • **Hold Payment** – This is a checkbox. The payment will not be created until this checkbox is de-selected. • **Hold Reason** – If a payment is held, a reason is required • **Separate Payment** – If this checkbox is selected, each payment for this vendor will be on a separate check. **Note:** Be careful when checking this box. If a credit memo has this box checked, it will never be used, as the system cannot create a negative check.

Table 8. Payments Page Elements

The third page or tab of the voucher component is the **Voucher Attributes** tab. This page contains the overall voucher status, entry information, voucher approval setting, voucher processing options, and comments section.

Participant Notes:

Page name	Navigation
Regular Entry – Voucher Attributes	Accounts Payable>Vouchers>Add/Update>Regular Entry>Voucher Attributes

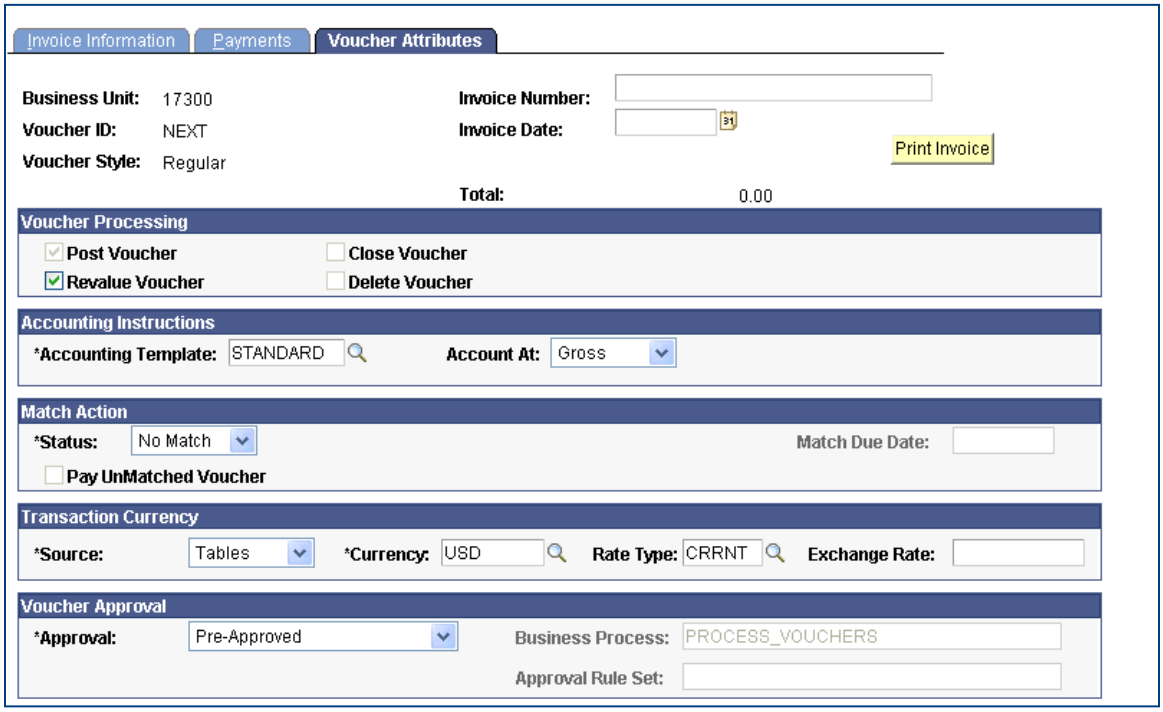

Figure 11. Voucher Attributes Top of Page

Participant Notes:

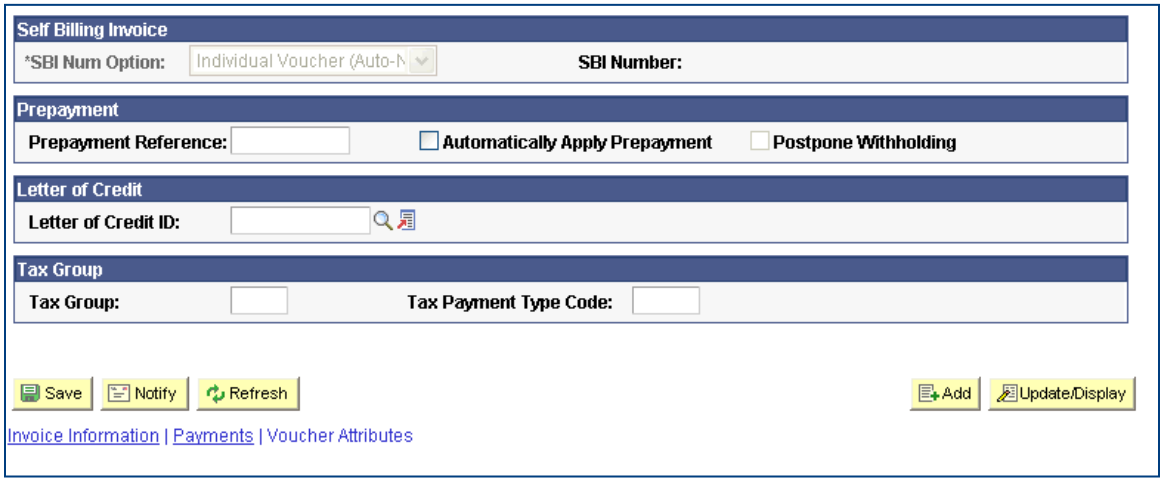

Figure 12. Voucher Attributes Bottom of Page

Field	Description
Post Voucher	Select to allow the voucher to post
Close Voucher	This field is display-only. It displays as selected if the voucher has been selected for closure using the **Close Voucher** page.
Status	Displays the current matching status of the voucher
Pay UnMatched voucher	Select to pay an unmatched voucher. You must have authority, defined in user preferences, to do this.
Approval	This field shows the approval routing for the voucher. Access to this field will be very limited.

Table 9. Voucher Attributes Page Elements

Participant Notes:

Walkthrough/Activity

We will now complete a walkthrough using a UPK simulation: Create a Non-Purchase Order Voucher.

Topic 2: Create a Voucher without a Purchase Order

Walkthrough/Activity

We will now complete Activities 1-2: Create a Voucher without a Purchase Order in your Activity Guide.

Lesson Review

In this lesson, you learned how to:

- Create a Voucher without a Purchase Order Process
- Discuss the process for creating vouchers without a purchase order in SMART, including when voucher is used, requirements for entry, and various scenarios.
- Create a voucher without a purchase order in SMART

Participant Notes:

Lesson 3: Create a Voucher with a Purchase Order

Objectives

Upon completion of this lesson, participants are able to:

- Describe the process for creating a voucher with a purchase order in SMART
- Explain when a purchase order voucher is used
- List the types of materials and resources that are required to enter a purchase order voucher
- Enter a voucher that is mapped to a purchase order in SMART

Key Terms

- **Purchase order** – Commitments from an organization to vendors to purchase goods or services from that vendor on a specific date. A purchase order creates an encumbrance in SMART.

Topic 1: Create a Voucher with a Purchase Order Process

Vouchers have a section, which allows you to copy in an entire purchase order or specific lines of a purchase order. In this section, you can search, by the vendor specified on the voucher, for all purchase orders in a business unit, a particular purchase order, or lines of a purchase order. This is a very efficient way to re-use existing data and lessen the chance for data entry errors. All of the ChartFields and descriptions are brought into the voucher. You only need to verify the information and save the voucher.

Participant Notes:

The following diagrams show the process flow for creating a voucher with a purchase order:

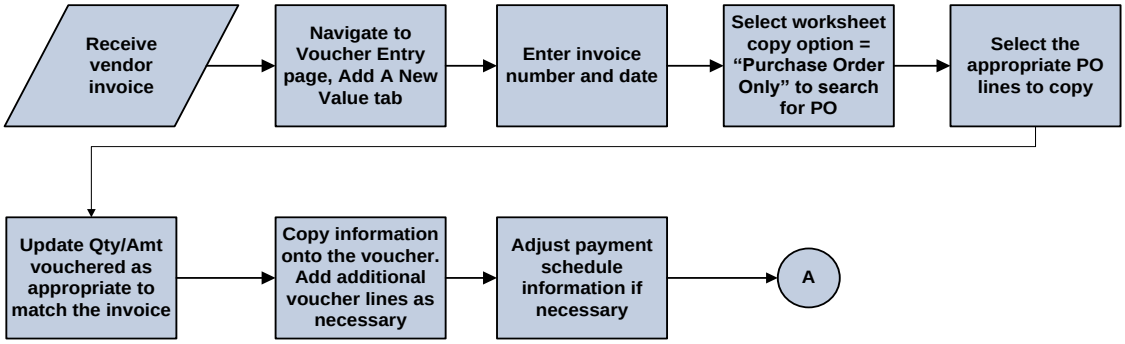

Figure 13. Purchase Order Voucher Process Flow part 1

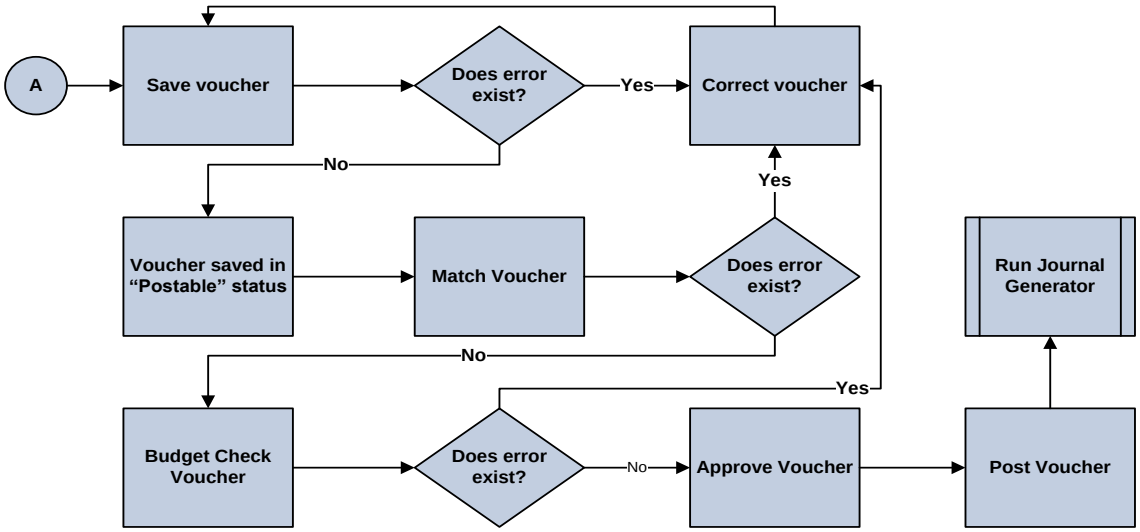

Figure 14. Purchase Order Voucher Process Flow part 2

Participant Notes:

This screenshot shows a purchase order voucher after saving. This is the same page used to enter a non-purchase order voucher and the same fields are required. Use the **Invoice Information** page to copy information from an entire purchase order or selected lines of a purchase order. In the following group exercise to enter a purchase order voucher, notice the amount of data entry and potential errors saved by copying in an existing purchase order.

Page name	Navigation
Regular Entry – Invoice Information	Accounts Payable>Vouchers>Add/Update>Regular Entry>Voucher Search

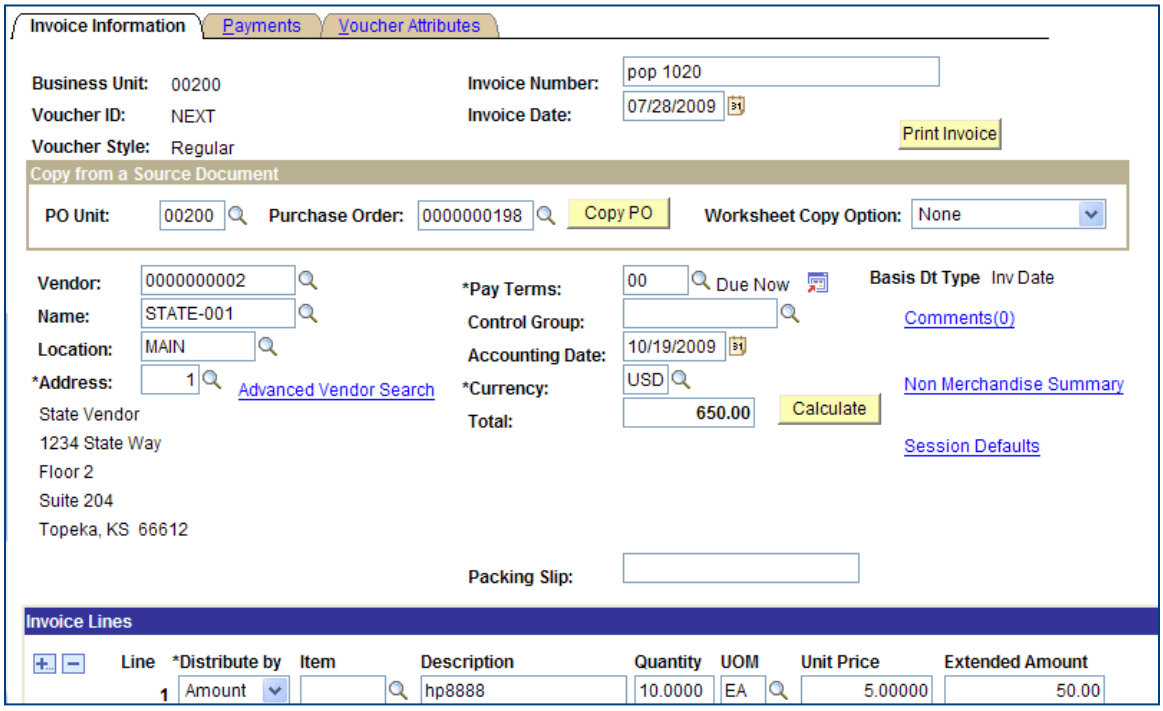

Figure 15. Invoice Information Page

Participant Notes:

Topic 2: Create a Voucher with a Purchase Order

Walkthrough/Activity

We will now complete a walkthrough using a UPK simulation: Create a Purchase Order Voucher.

Walkthrough/Activity

We will now complete Activities 3-4: Create a Voucher with a Purchase Order in your Activity Guide.

Lesson Review

In this lesson, you learned how to:

- Create a voucher with a Purchase Order process
- Discuss the process for creating vouchers with a purchase order in SMART, including when voucher is used, requirements for entry, and various scenarios.
- Create a voucher that is tied to a purchase order in SMART

Participant Notes:

Lesson 4: Create a Journal Voucher

Objectives

Upon completion of this lesson, participants are able to:

- Describe a scenario when a journal voucher would be entered into SMART and the impact a journal voucher has on accounting entries
- Enter a journal voucher in SMART

Key Terms

- **Journal Voucher** – A voucher that is created to reverse the amount from one ChartField string and add it to another ChartField string without unposting a voucher and payment
- **Posting** – An automated process of creating and recording accounting entries in SMART
- **Unposting** – The process of creating accounting entries that reverse the accounting entries that were created when a voucher was posted

Topic 1: Create a Journal Voucher Process

Journal vouchers are used to adjust accounting entries for vouchers that have been posted and paid, and whose payments have also been posted. On the journal voucher, reverse the amount to the incorrect account (by entering a negative amount), and add the amount to account (by entering a positive amount). Then post the journal voucher.

Note: The gross amount of the voucher must be $0.00.

Participant Notes:

Creating a Journal Voucher Process: The following diagram represents the steps to create a journal voucher.

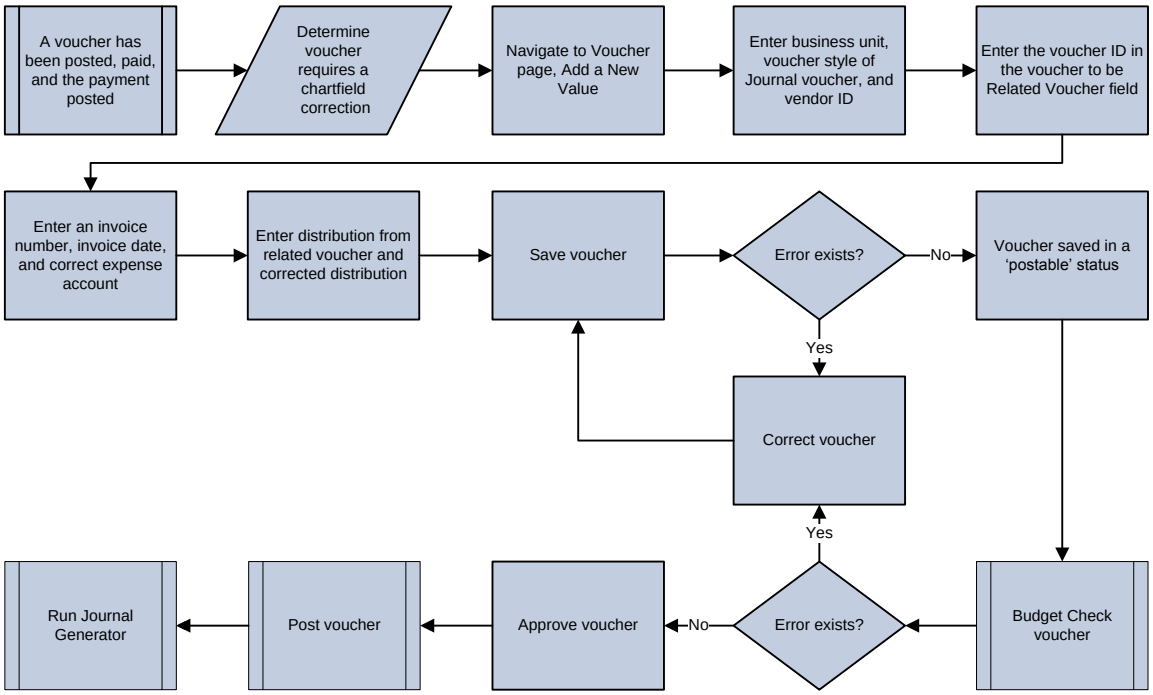

Figure 16. Creating a Journal Voucher process

The following is an example of how journal vouchers are used:

A voucher has been entered using expense account 531100. The voucher has been posted and paid, and the payment has been posted, but the expense should have used account 533900. To avoid making a manual General Ledger entry, and to avoid unposting the voucher, correcting the voucher, and reposting the voucher and payment, you simply enter a journal voucher. Here are the steps required to create a journal voucher:

Participant Notes:

1. Select the voucher style **Journal Voucher** in the Voucher component
2. (Optional) Enter a **Voucher ID** in the **Related Voucher** field in the Invoice group box on the **Identifying Information** page to link this voucher to the voucher you are adjusting
3. You can access additional information for your journal vouchers on the **Payments** and **Voucher Attributes** pages in the Voucher component

The following screenshot shows a journal voucher. The **Related Voucher** field is the only change on this page from a regular voucher.

Page name	Navigation
Regular Entry – Invoice Information	Accounts Payable>Vouchers>Add/Update>Regular Entry>Voucher search

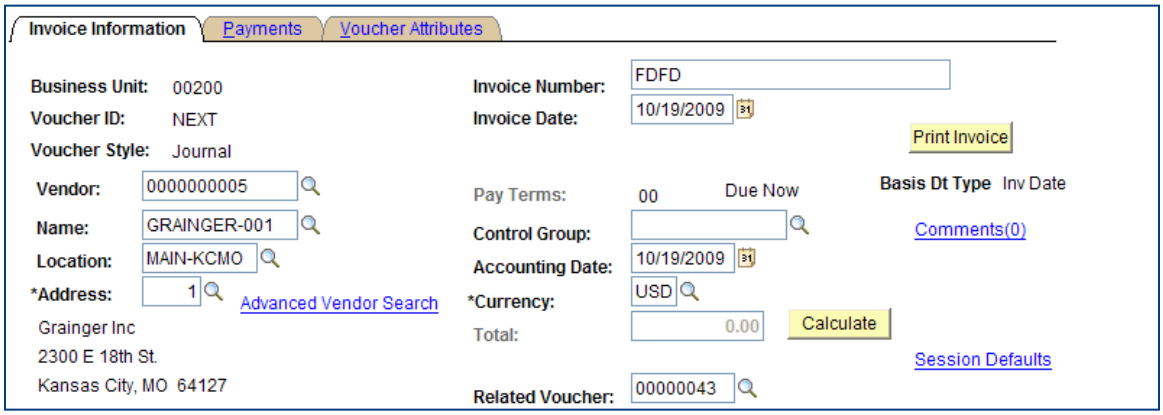

Figure 17. Journal Voucher Invoice Information Page

Participant Notes:

Topic 2: Create a Journal Voucher

Walkthrough/Activity

We will now complete a walkthrough using a UPK simulation: Entering Journal Vouchers.

Lesson Review

In this lesson, you learned how to:

- Create a journal voucher in SMART
- Discuss the process for creating journal vouchers in SMART, including when voucher is used, requirements for entry, and various scenarios

Participant Notes:

Lesson 5: Create a Reversal Voucher

Objectives

Upon completion of this lesson, participants are able to:

- Describe a scenario when a reversal voucher would be entered into SMART
- Describe the impact a reversal voucher has on accounting entries
- Enter a reversal voucher in SMART

Key Terms

- **Encumbrance** – Amount of legal obligation to spend in the future
- **Voucher Close** – The process of processing a remaining liability to be "written off" the vendor balance and the voucher to be considered complete
- **Reversal Vouchers** – A voucher that is entered to undo a transaction, including back out incorrect vouchers, restore the encumbrance for actuals and budgets, and reduce the purchase order's matched quantity or amount

Topic 1: Create a Reversal Voucher Process

Participant Notes:

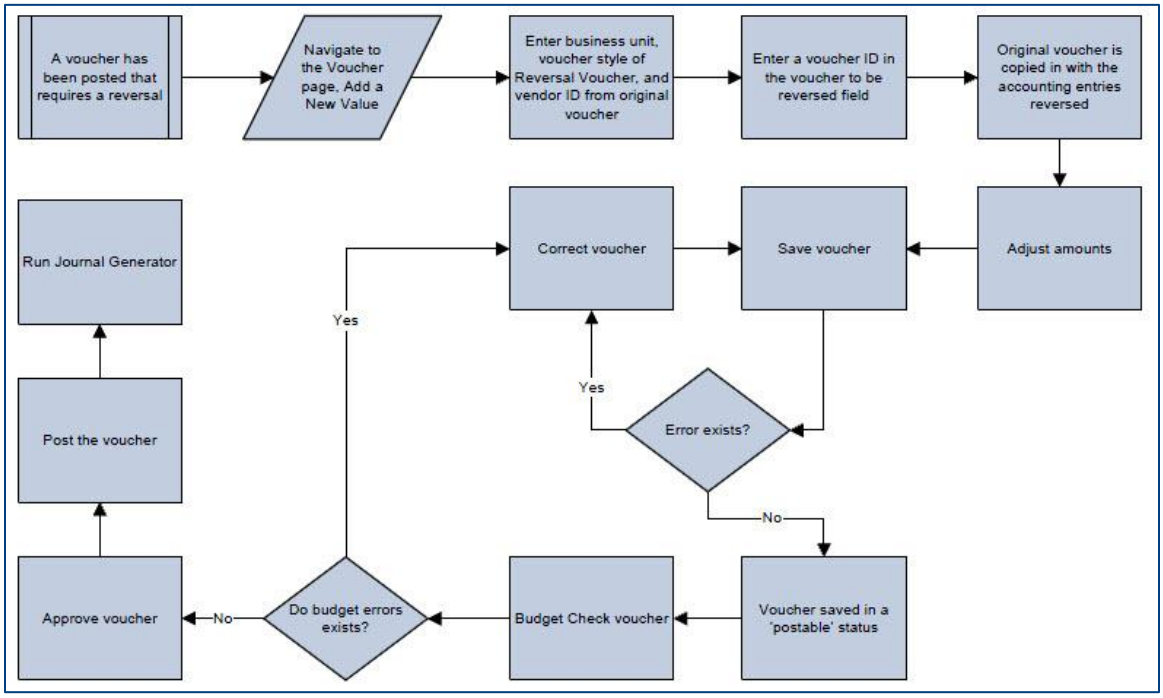

Figure 18. Reversal Voucher Process Process Flow

- **Reversal vouchers** – A reversal voucher is used to record a credit memo received by an agency for a purchase against a PO. The advantage to using a reversal voucher rather than just entering a credit memo is that a reversal voucher restores the encumbrance to the budget year that was on the PO. Reversal vouchers are entered as a negative amount.
- To create a reversal voucher:
  - Select **Reversal Voucher** as the voucher style on the add search page for the Voucher component and click Add

Estimated time for Lesson 5 – 30 minutes

Participant Notes:

- Enter the voucher ID of the voucher that you want to reverse in the **Voucher To Be Reversed** field. This field is located on the **Invoice Information** page in the **Copy from a Source** group box.

This screenshot shows a reversal voucher. Notice the **Copy from a Source Document** group box.

Page name	Navigation
Regular Entry – Invoice Information	Accounts Payable>Vouchers>Add/Update>Regular Entry>Voucher Search>Invoice Information: Copy from a Source Document section

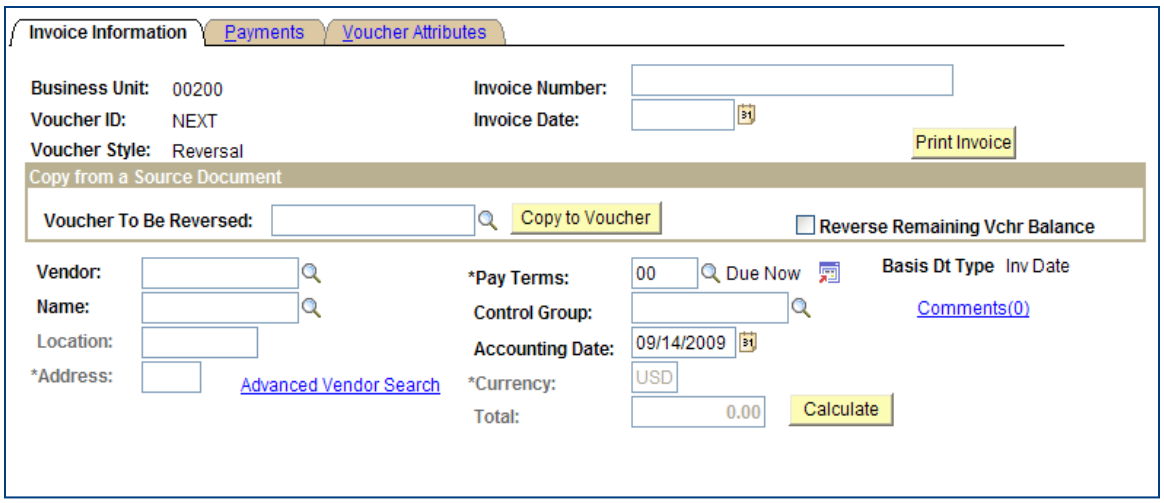

Figure 19. Reversal Vouchers: Copy from a Source Document section

Participant Notes:

Field	Description
Voucher To Be Reversed	Enter the voucher ID of the voucher that you want to reverse in the **Voucher To Be Reversed** field
Reverse Remaining Vchr Balance	Select the **Reverse Remaining Vchr Balance** (reverse remaining voucher) check box to reverse the remaining voucher balance. If you do not select the **Reverse Remaining Vchr Balance** check box, SMART reverses the entire voucher.

Table 10. Reversal Vouchers: Copy from a Source Document section

Topic 2: Create a Reversal Voucher

Walkthrough/Activity

We will now complete a walkthrough using a UPK simulation: Entering Reversal Vouchers.

Walkthrough/Activity

We will now complete Activities 5-6: Create a Reversal Voucher in your Activity Guide.

Lesson Review

In this lesson, you learned how to:

- Create a Reversal Voucher in SMART
- Discuss the process for creating reversal vouchers SMART, including when voucher is used, requirements for entry, and various scenarios

Participant Notes:

Lesson 6: Managing Vouchers

Objectives

Upon completion of this lesson, participants are able to:

- Identify a voucher as a 1099 voucher and enter the voucher into SMART
- Explain voucher budget checking error correction

Key Terms

- **Available Budget** – For expenditure budgets, the amount available in the budget after deducting commitments and expenses from the budgeted amount while for revenue budgets, the revenue estimate amount less the recognized revenue amount.

Topic 1: 1099 Vouchers

- The Internal Revenue Service requires that a 1099 be issued annually to a business or individual that meets certain criteria. Accounts & Reports (A&R) must place these forms in the mail no later than January 31st for applicable payments made during the previous calendar year. SMART accumulates the amount to be issued based on the way a vendor is set up.
- If a 1099 is to be issued, the vendor will be flagged for "Withholding." By doing this SMART will automatically assume that each voucher line should be included for the 1099. This is not always the case. Users have the ability to deselect lines for "Withholding," which means the same thing as 1099 Reportable. This will prevent that specific line from being included in the vendor's 1099 accumulated

Participant Notes:

balance. If a user fails to deselect a non-applicable line of a voucher, the line will be included in the vendor's accumulated balance. Once the voucher passes budget checking the user can no longer deselect a line from the original voucher.

- A detailed listing of classifications for marking a voucher as a 1099 voucher can be found in **Job Aid: 1099 Classifications**
- Withholding you complete the withholding process as follows:

1. **Set up your withholding environment** – This is done by Accounts and Reports and consists of appropriate withholding rules, classes, types, jurisdictions, and entities
2. **Enter withholding vendors** – Make any vendor a withholding vendor by selecting the Withholding checkbox on the **Vendor Information – Identifying Information** page, and selecting the appropriate withholding rule, class, type, jurisdiction, and entity.
3. **Enter withholding vouchers –** The type of withholding that you define for the vendor defaults to each voucher line.
4. **Pay the vouchers –** Depending on your withholding setup, SMART may generate a separate withholding payment to the tax authority when the voucher is paid, or just calculate the withholding for reporting to the tax authority.
5. **Post the withholding –** Posting combines voucher and payment information into transaction tables.
6. **View the withholding balances online**
7. **Generate withholding reports –** These reports are then sent to the reporting entity; i.e. the Internal Revenue Service (IRS).

Participant Notes:

Page name	Navigation
Invoice Information	Accounts Payable>Vouchers>Add/Update>Regular Entry>Invoice Information

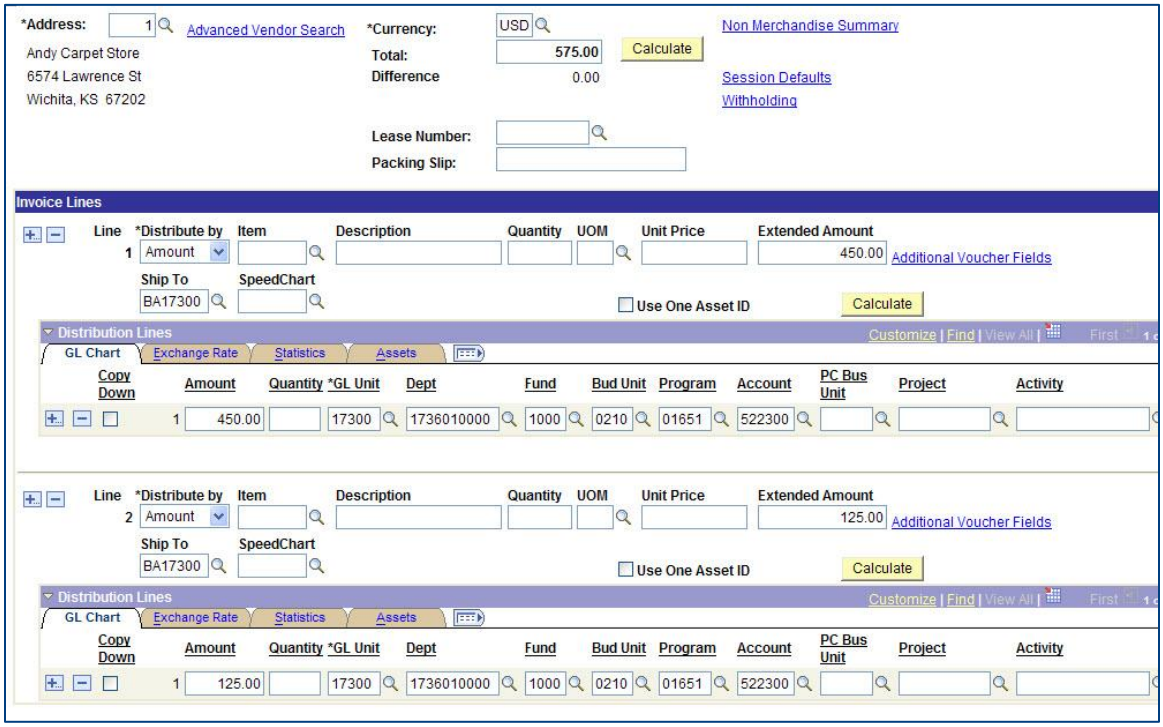

Figure 20. Invoice Information Page

Participant Notes:

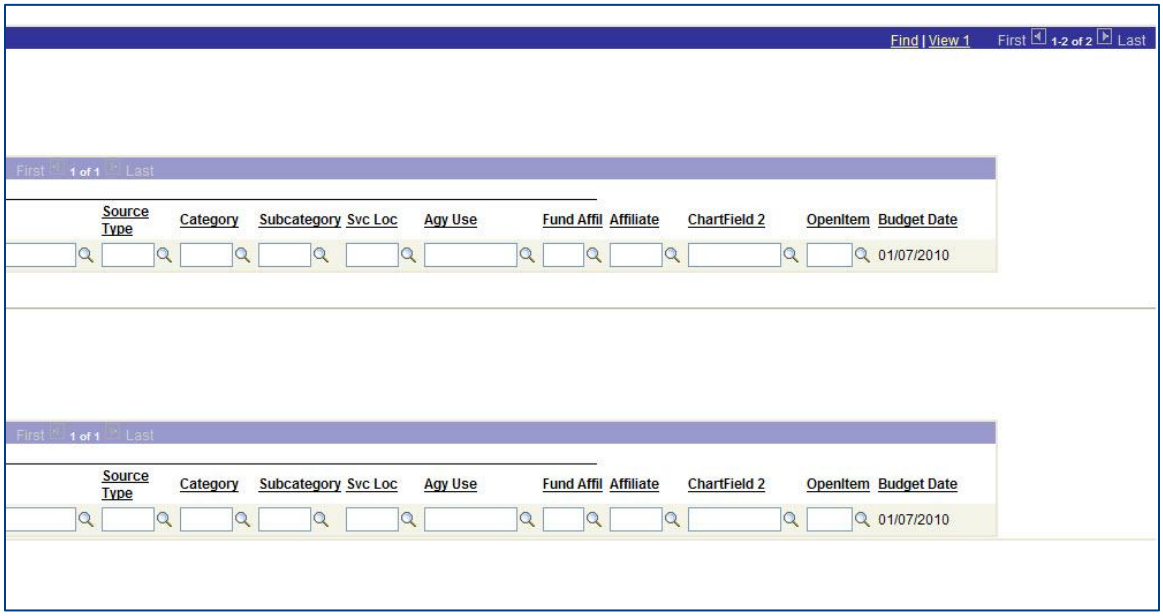

Figure 21. Invoice Information Page Extended

The following screen shot shows the information in the **Withholding** link. All of the following fields will populate from the vendor. The user will not need to select on the voucher. The only time the user needs to come to this page is to uncheck the withholding applicable box or to change the type/class combination from the default.

Participant Notes:

Page name	Navigation
Withholding Information	Accounts Payable>Vouchers>Add/Update>Regular Entry>Invoice Information>Withholding

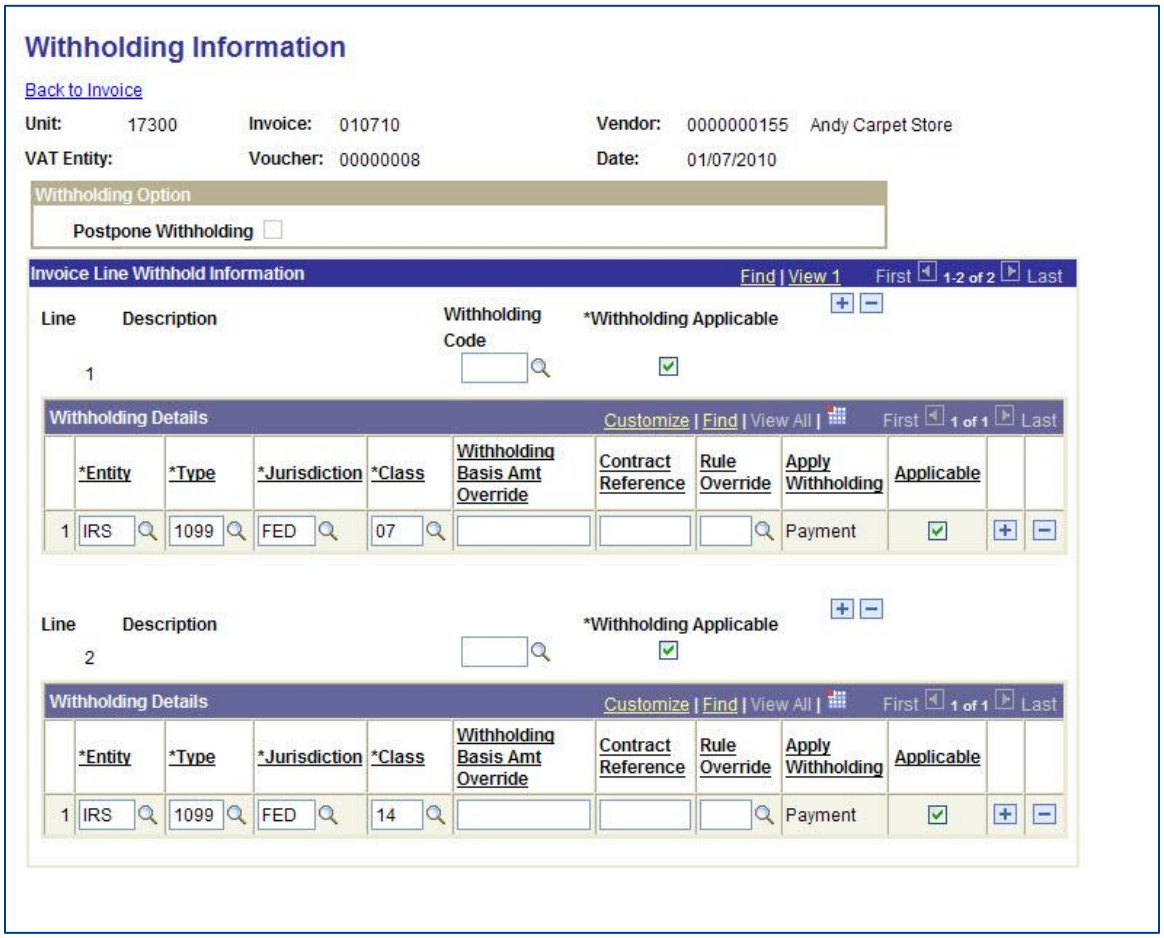

Figure 22. Withholding Information Page

Participant Notes:

Field	Description
Apply Withholding at Voucher Post	Select to apply withholding during the voucher posting process
Withholding Code	Select a withholding code for this voucher line if you are using withholding codes to define a set of withholding class combinations that you want to apply at the same time.
Withholding Applicable	Clear this check box to disable withholding for the individual voucher line
Entity, Type, Jurisdiction, and Class	Displays the withholding entity, type, jurisdiction, and class specified for the vendor at the vendor location level. You can override the defaults by selecting new values.
Rule Override	Select a withholding rule to override the rule that defaults automatically from the withholding entity. This field is usually left blank.
Apply Withholding	See the definition for Apply Withholding at Voucher Post
Applicable	Use this check box to control withholding applicability for the specific withholding class combination for a voucher line. If multiple withholding class combinations are listed, you can choose to clear this check box for one or more of them so that withholding does not occur for that withholding class combination on this voucher line.

Table 11. Withholding Information Page Elements

Walkthrough/Activity

We will now complete Activity 7: 1099 Reportable Vouchers.

Participant Notes:

Topic 2: Voucher Error Correction

Use this page to view budget-checking errors or warning messages for vouchers. View budgets for the transaction lines with exceptions.

Page name	Navigation
Voucher	Commitment Control>Review Budget Check Exceptions>Accounts Payable>Voucher

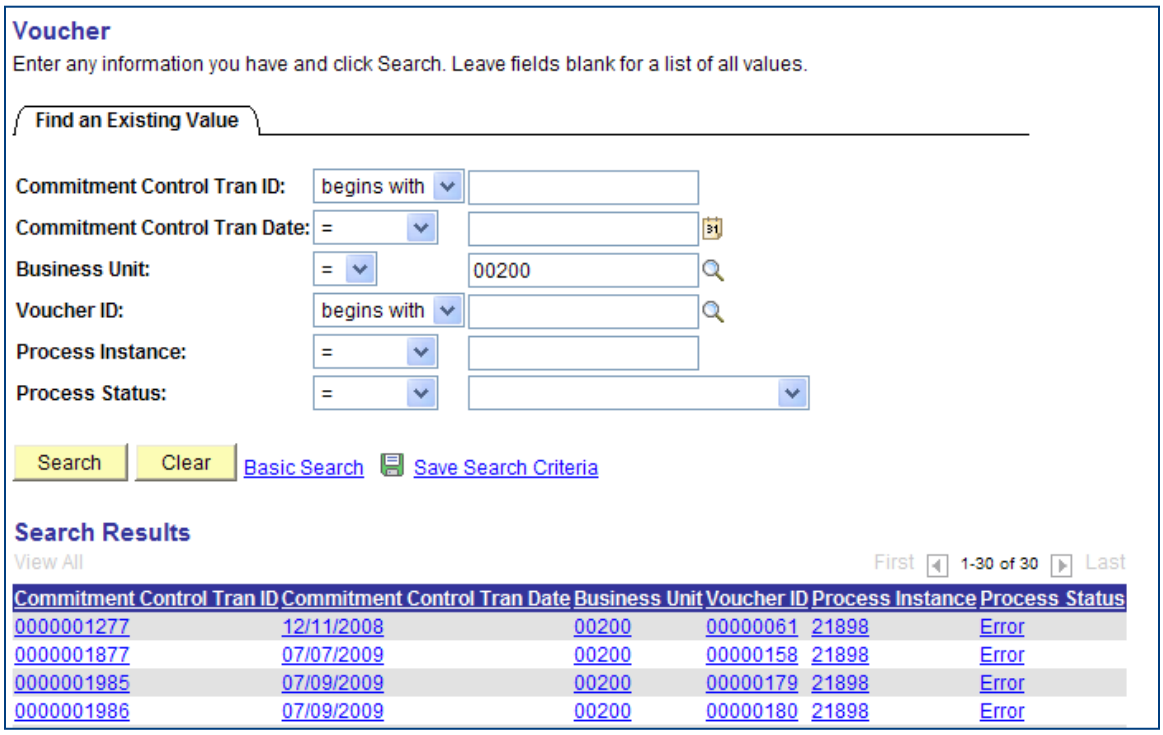

Figure 23. Budget Check Exceptions Voucher Search Page

Participant Notes:

Page name	Navigation
Voucher	Commitment Control>Review Budget Check Exceptions>Accounts Payable>Voucher>Voucher Exceptions

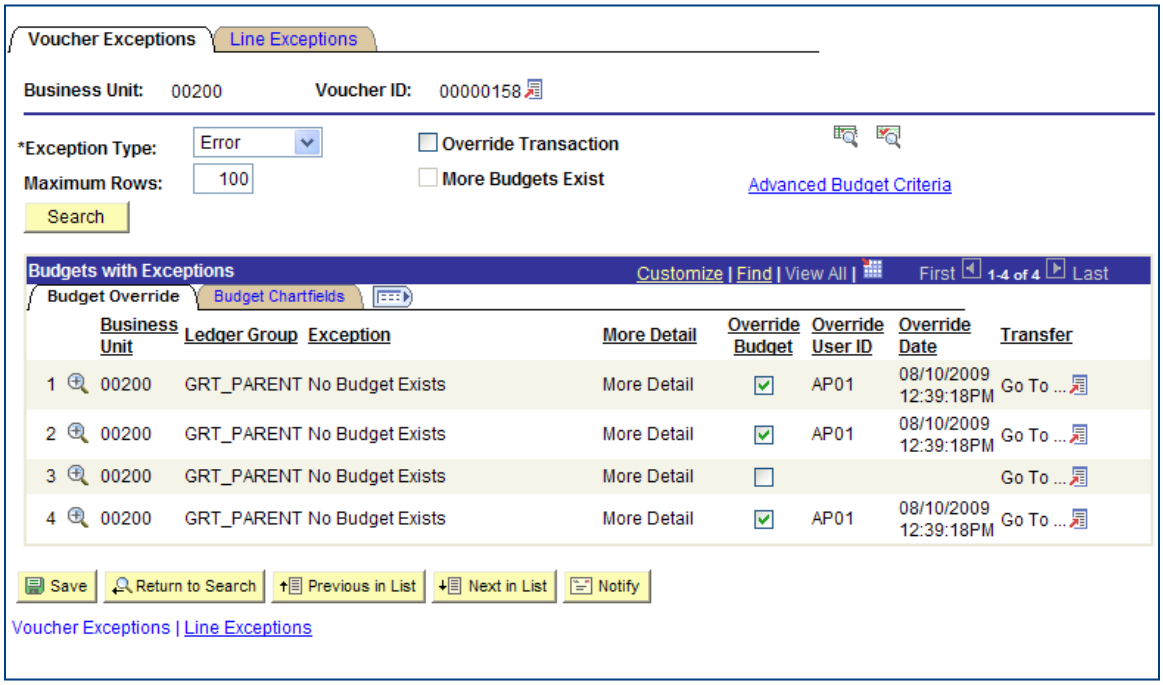

Figure 24. Budget Voucher Exceptions Page

Field	Description
Exception Type	Use this field to limit the exception rows retrieved to transactions with either an *Error* or *Warning* exception

Table 12. Voucher Exceptions Page Elements

Participant Notes:

Use the **Line Exceptions** page to view individual voucher lines with budget-checking errors or warning messages.

Page name	Navigation
Voucher	Commitment Control>Review Budget Check Exceptions>Accounts Payable>Voucher>Line Exceptions

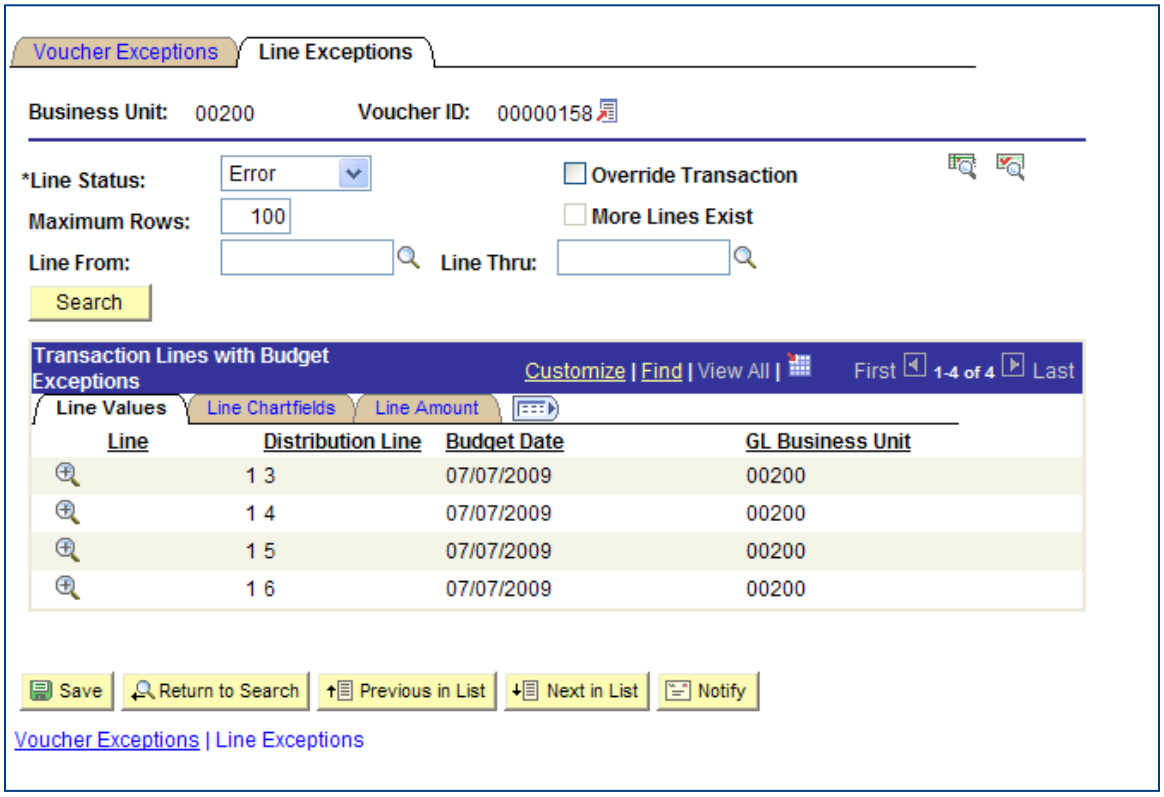

Figure 25. Budget Voucher Line Exceptions Page

Participant Notes:

Walkthrough/Activity

We will now complete a walkthrough using a UPK simulation: Correcting Budget Checking Errors.

Lesson Review

In this lesson, you learned how to:

- Identify a voucher as a 1099 voucher
- Discuss the process for creating 1099 vouchers in SMART, including when a 1099 voucher is used, requirements for entry, and various scenarios
- Explain how to view and correct budget checking errors

Additional Resources

More information on 1099's can be found at:
http://www.irs.gov/instructions/i1099gi/index.html

Note: Refer to IRS Publication 1220 as the definitive resource for 1099 rules and regulations.

Participant Notes:

Lesson 7: Monitor Control Groups

Objectives

Upon completion of this lesson, participants are able to:

- Explain when control groups are set up and what Control Group Maintainers can manage for control groups in their agencies
- Add vouchers to a control group in SMART
- Adjust a processing rule for an established control group

Key Terms

- **Control Group** – A means of grouping vouchers for processing

Topic 1: Understanding Control Groups

- **Control Groups –** Allow you to batch vouchers together for processing. You can use control groups for a variety of reasons. Control groups allow for control over the processing of the vouchers within a batch. For example, an agency might want to maintain tight control over vouchers by insisting that they are all balanced before being posted, paid, and filed. On the other hand, an agency might allow individual vouchers to post as they are entered and balanced in SMART. With control groups, you can divide large numbers of vouchers among Accounts Payable Processors while retaining centralized control of voucher processing. Accounts Payable Supervisors can assign each control group to a particular user, establish the priority for processing groups of vouchers, and determine

Participant Notes:

whether a review is required before the vouchers can be completely processed. Agencies also may allow a user to set up their own control group.

Control groups can provide security options and determine workloads for Accounts Payable processors. You can set up the system to process vouchers in groups to:

- Establish separate processing rules (different from those set up at the business unit and voucher origin levels)
- Specify when groups of vouchers should be posted or paid
- Determine whether vouchers should be balanced or verified before they can be posted or paid
- Divide vouchers among Accounts Payable processors, including assigning a block of voucher numbers
- Post several of these groups in one easy step

If you set up control groups, the system can:

- Check for control groups assigned for each user ID
- Select the earliest group in the queue for multiple groups
- Keep track of running totals
- Automatically set the balanced group to *Ready for Review* status.

  The system displays a message offering to automatically update the status to *Ready for Review* when a group is in balance and the user saves the last voucher. Clicking *Yes* selects this option. Clicking *No* enables the user to manually update the status on the **Control Group Update Status** page.

- Select the next group in the queue each time that users finish a group
- Provide auto-numbering

Participant Notes:

The system displays *NEXT* in the **Group** field until you save the page, and then the system increments by one the last ID number used to create the new control group ID

Topic 2: Setting Up Control Groups

The following lists the steps that are necessary to create a control group:

1. Enter the **Control Total** on the **Group Information Assignment** page. Either enter the **Gross Dollar Amount** of the group or use the **Adding Tape** feature to insert values.
    a. Notice the **Actual Totals** and **Differences** group boxes. The difference is the total amount of the control group. As vouchers are entered, this number changes and is reduced with each voucher until the **Differences** group box shows a zero.
    b. Also, notice the **Voucher Numbering** group box and the **Reserve Voucher Numbers** checkbox. This is a specific agency decision. Some accounts payable departments prefer to keep control group voucher numbers together for an audit trail and ease of finding the vouchers.

Participant Notes:

The following screen shot shows the **Group Information Assignment** page.

Page name	Navigation
Group Information - Assignment	Accounts Payable>Control Groups>Group Information>Assignment

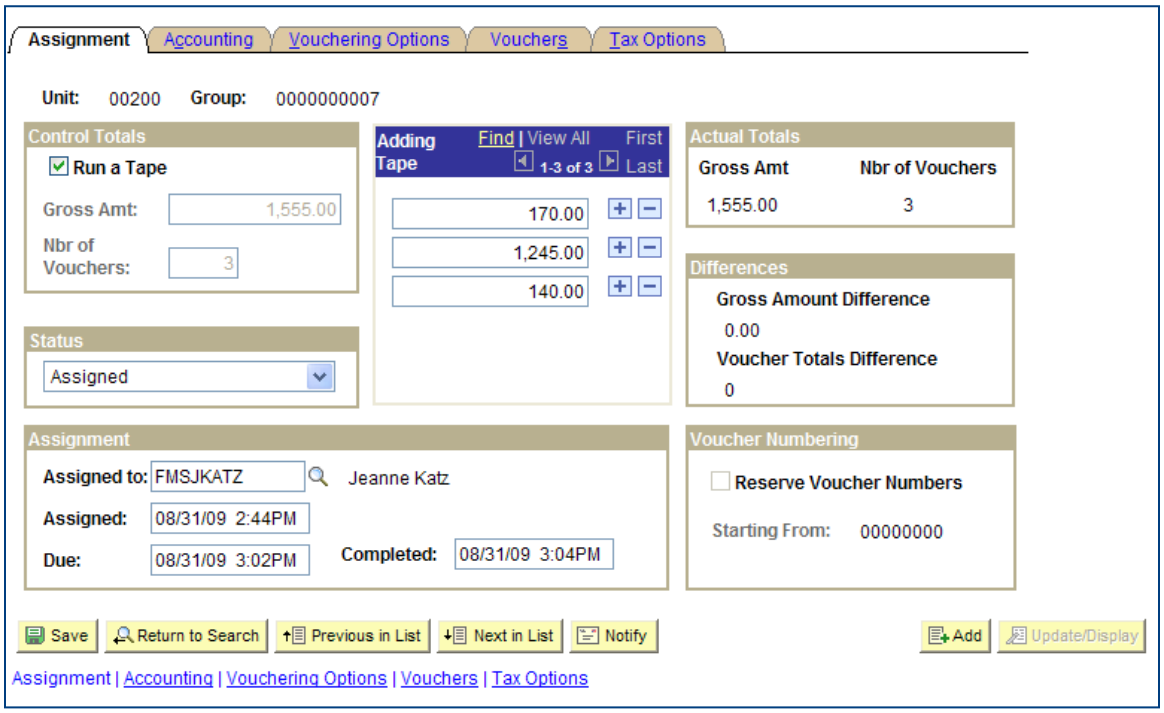

Figure 26. Control Group Assignment Page

Participant Notes:

Field	Description
Run a Tape	Select to obtain a running gross amount total and have the system count the number of vouchers. To run the total offline, clear this check box and enter the totals in the **Gross Amt** (gross amount) and **Nbr of Vouchers** (number of vouchers) fields.
Adding Tape	Enter values in this group box, which appears after selecting the **Run a Tape** check box. The total appears in the **Gross Amt** (gross amount) field.
Gross Amt (gross amount)	Displays the real-time amount totals that have been entered into the system for the control group
Nbr of Vouchers (number of vouchers)	Displays the real-time total number of vouchers that have been entered into the system for the control group
Gross Amount Difference	Displays the amount by which the control and actual totals differ. A control group is in balance when the gross amount difference and voucher totals difference both equal 0.
Voucher Totals Difference	Displays the number of vouchers by which the control and actual totals differ. A control group is in balance when the gross amount difference and voucher totals difference both equal 0.

Participant Notes:

Field	Description
Status	Control groups can have the following status values: • **Assigned** – The control group is ready for the assigned user to enter vouchers. For a user to enter vouchers into the control group, you must set the status of the control group to Assigned. • **Entry Set Aside** – The assigned user has placed the group on standby to work on other groups in the queue. Users use the **Control Group Update Status** page to set their groups aside. • **Open** – The control group is in the process of being created, and it can be assigned • **Ready for Review** – The group is ready to be reviewed • **Supervisor Set Aside** – The supervisor has placed the group on standby so that the assigned user can work on other groups in the queue • **Verified** – The supervisor has verified that the group has been entered correctly
Assigned To	Enter the user ID of the user to which this control group is assigned. You can assign multiple control groups to one user simultaneously.
Assigned	Override the system-recorded date and time by entering a different date and time before you save the control group

Participant Notes:

Field	Description
Due	Override the system-specified due date by entering a new date and time before saving the control group. If you enter a due time before saving, the system accepts it and does not overwrite it. By default, the system allows six minutes for each voucher in the control group.
Completed	Enter the date and time the voucher group was completed
Reserve Voucher Numbers	Select to display a field for the next auto-number available for the business unit
Starting From	Displays the beginning voucher number for this group

Table 13. Control Group Assignment Page Elements

2. Assign the group to an operator on the **Assignment** page by changing the status to Assigned and populating the **Assignment Group Box.**
3. Select the **Post Group** option in the **Actions** group box on the **Accounting** page to post the group (optional).

Participant Notes:

Page name	Navigation
Group Information - Accounting	Accounts Payable>Control Groups>Group Information>Accounting

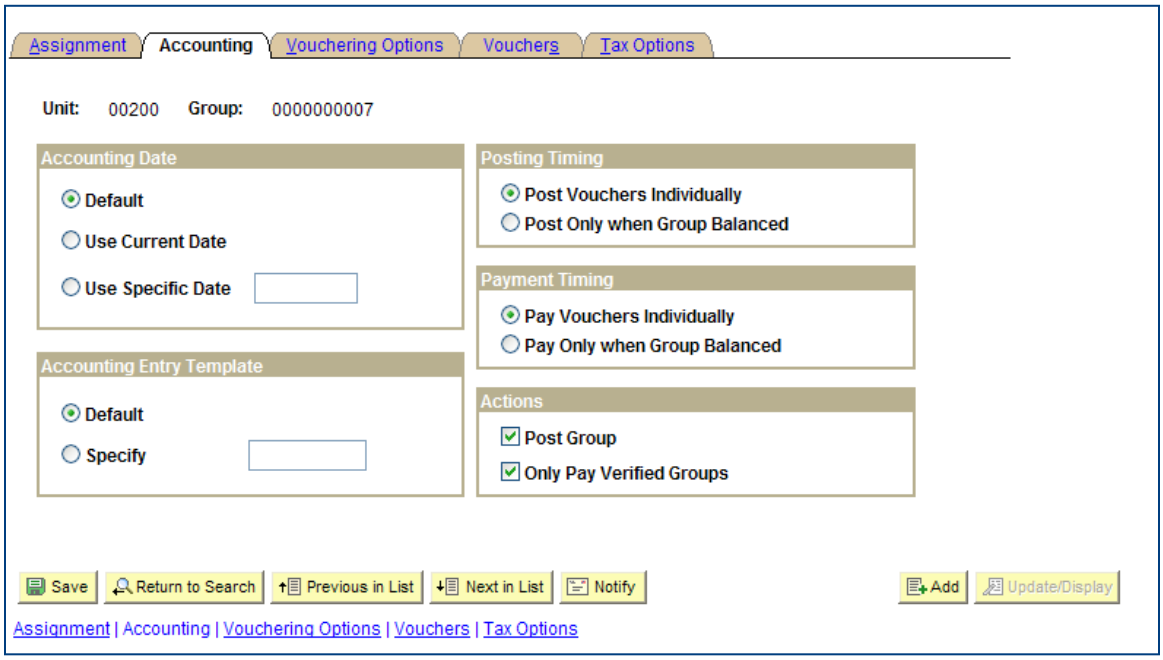

Figure 27. Control Group Accounting Page

Field	Description
Post Vouchers Individually	Vouchers can be posted as soon as each one is complete
Post Only When Group Balanced	The group of vouchers can be posted once the entire group is balanced
Pay Vouchers Individually	Vouchers can be paid as soon as each one is complete

Participant Notes:

Field	Description
Pay Only when Group Balanced	Vouchers in the group can be paid after the entire group is balanced
Post Group	Clear to prevent the system from posting this control group, regardless of whether the control group is in balance or whether individual vouchers in the control group are ready to post
Pay Only Verified Groups	Select to have the payment process pays vouchers in this control group only if they have been verified on the **Group Information - Assignment** page, regardless of whether the control group is in balance or whether individual vouchers in the control group are ready to be paid

Table 14. Control Group Accounting Page Elements

4. Enter the control group vouchers into SMART. Notice the **Control Group** field on the **Invoice Information** page.

Participant Notes:

Page name	Navigation
Regular Entry – Invoice Information	Accounts Payable>Vouchers>Add/Update>Regular Entry>Invoice Information

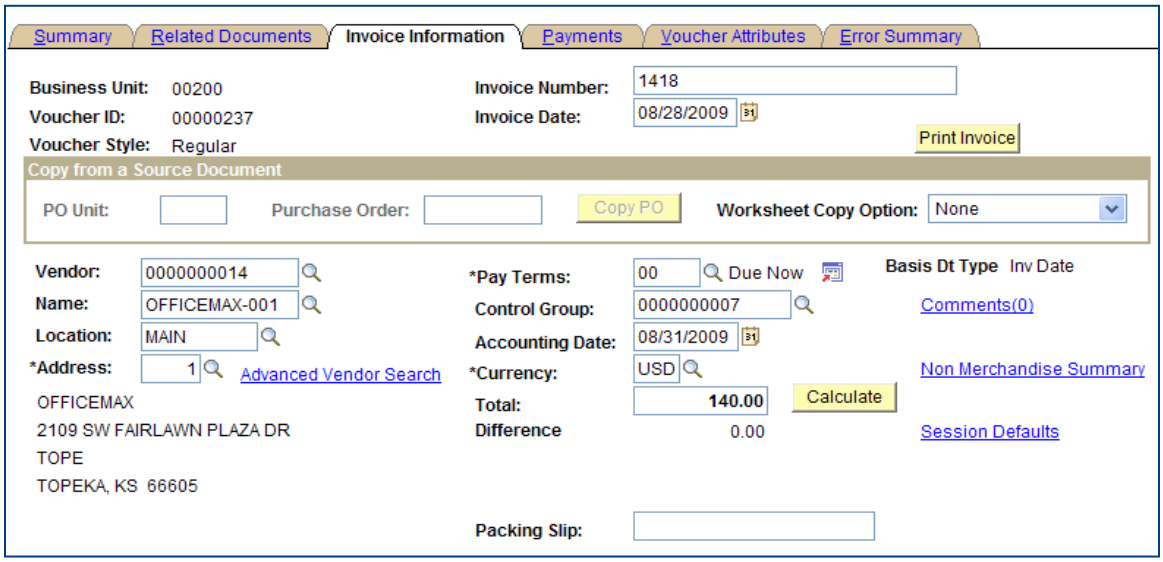

Figure 28. Invoice Information Page

5. Verify that the vouchers are complete by changing the status to **Verified** on the **Assignment** page.

Participant Notes:

Page name	Navigation
Group Information - Assignment	Accounts Payable>Control Groups>Group Information>Assignment

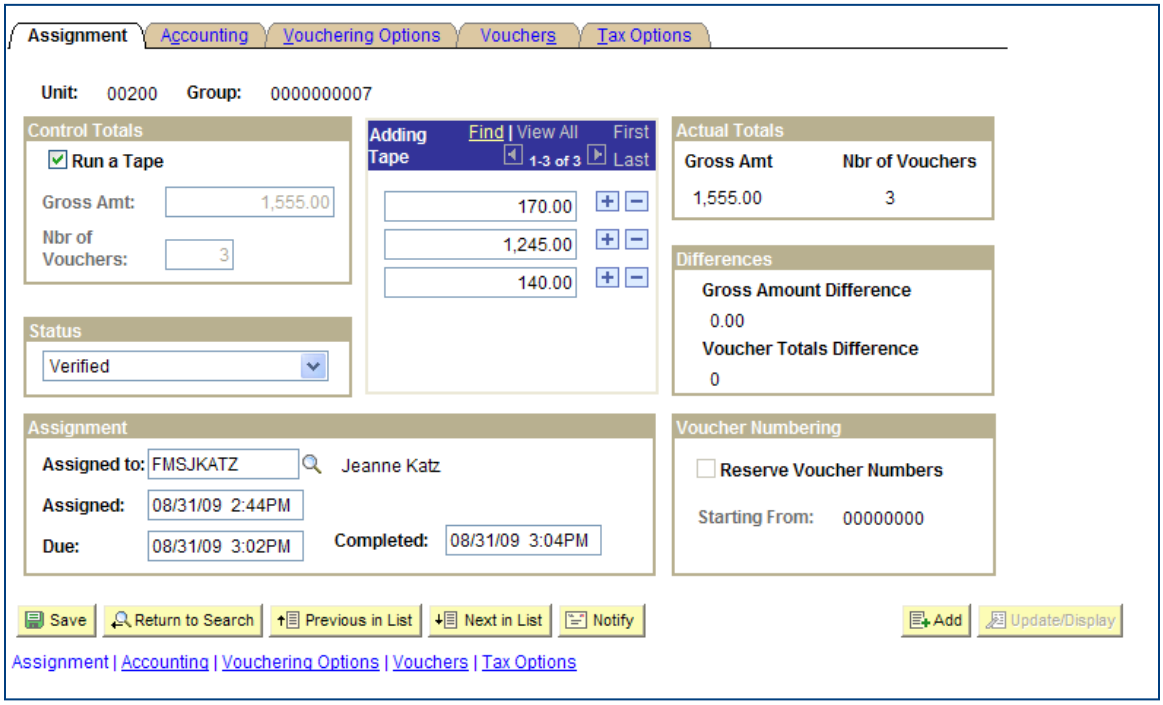

Figure 29. Control Group Assignment Page

Walkthrough/Activity

We will now complete a walkthrough using a UPK simulation: Creating Control Groups.

Participant Notes:

Walkthrough/Activity

We will now complete Activity 8: Setting up Control Groups in your Activity Guide.

Walkthrough/Activity

We will now complete a walkthrough using a UPK simulation: Entering Vouchers into Control Groups.

Walkthrough/Activity

We will now complete Activity 9 Setting Up and Adding Vouchers to Control Groups in your Activity Guide.

Topic 3: Deleting a Control Group

After you have created a control group, assigned it to an employee, and entered the vouchers, you can review the data in SMART. During a review of the groups, you may see an error in one of the groups, in which case you may wish to delete the group. You can also delete all or individual vouchers within a control group.

Note. You cannot delete vouchers that are posted or paid

You use the **Delete Control Group** page to delete group IDs. Two likely reasons for deleting a control group are your agency no longer wants to track the control group, or a control group was inadvertently entered.

Walkthrough/Activity

We will now complete a walkthrough using a UPK simulation: Deleting Control Groups.

Participant Notes:

Walkthrough/Activity

We will now complete Activity 10: Deleting a Control Group.

Lesson Review

In this lesson, you learned how to:

- Create a control group
- Discuss the process for creating control groups in SMART, including when a control group is used, requirements for entry, and various scenarios
- Enter vouchers into a control group in SMART
- Delete a control group

Participant Notes: